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of
NATIONAL PLANNING
Committee**

(Being Summary of National Planning Committee
Booklets, No. 1, 2, 3 & 4.)

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HANDBOOK
of
NATIONAL PLANNING
COMMITTEE

Compiled
by
K. T. SHAH

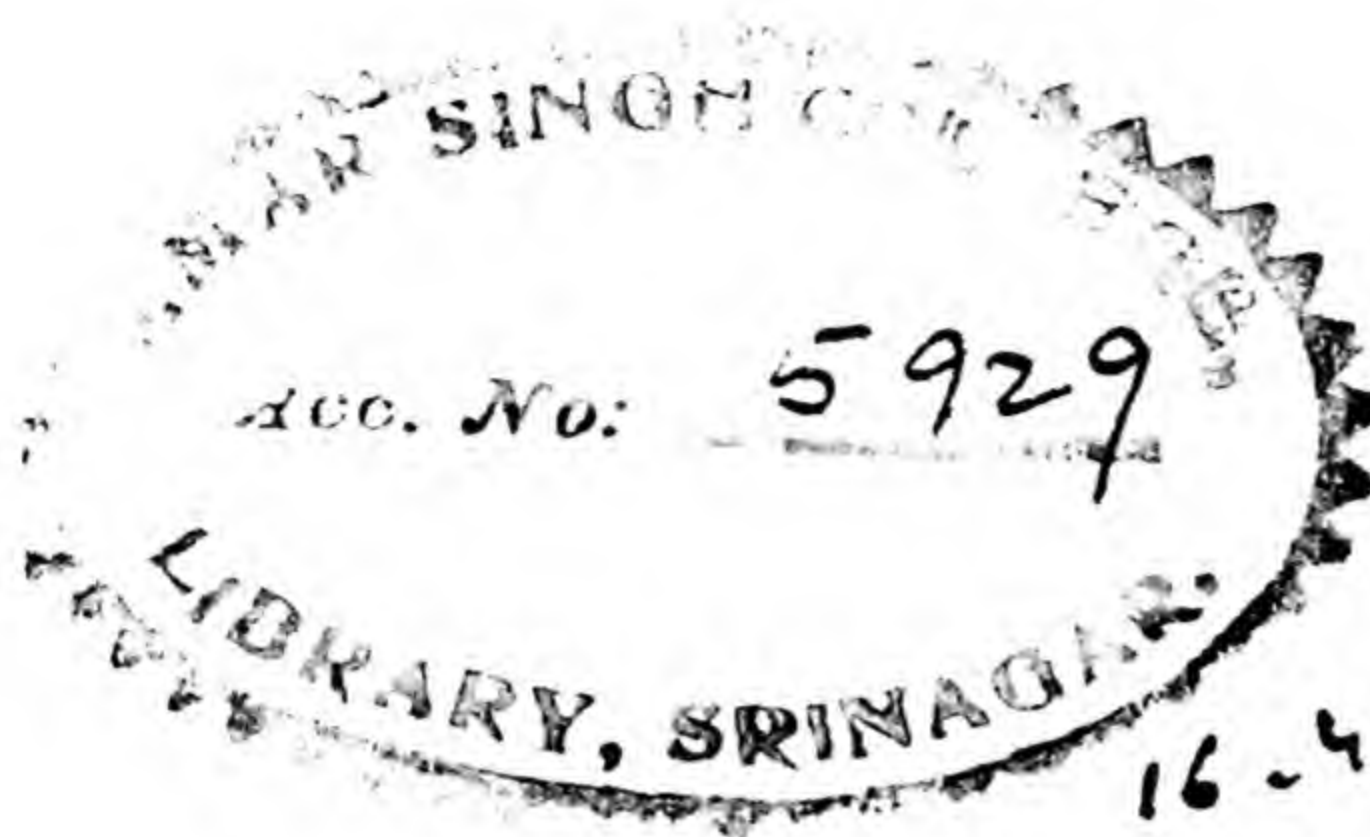
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LIST OF MEMBERS OF THE NATIONAL PLANNING COMMITTEE

Including Representatives of Governments :

Jawaharlal Nehru (*Chairman*),

Sir M. Visvesvaraya

Sir Purshottamdas Thakurdas

Dr. Meghnad Saha

A. D. Shroff

K. T. Shah

A. K. Shaha

Dr. Nazir Ahmad

Dr. V. S. Dubey

Ambalal Sarabhai

Prof. J. C. Ghosh

J. C. Kumarappa

Walchand Hirachand

Dr. Radha Kamal Mukerjee

N. M. Joshi

Hon'ble Mr. Shuaib Qureshi

Rani Rahman Siddiqui

Gulzarilal Nanda

Mrs. Vijayalakshmi Pandit.

Hon. Mr. V. V. Giri, *Minister for Industries, Madras.*

Hon. Mr. L. M. Patil, *Minister for Industries, Bombay.*

Hon. Dr. Syed Mahmud, *Minister for Education and Development, Bihar.*

Hon. Mr. C. J. Bharuka, *Minister for Industries, Central Provinces.*

P. B. Advani, *Director of Industries, Bombay.*

M. B. Pillai, *Director of Industries, Bihar.*

M. Khurshid, *Director of Industries, Assam.*

Shuaib Qureshi, *Minister-in-Charge, Bhopal.*

A. Mohiuddin, *Director of Industries, Hyderabad, Dn.*

M. S. Ramachandra Rao, *Director of Industries, Mysore.*

S. M. Pagar, *Development Commissioner, Baroda.*

C. A. Mehra, *Director of Industries, Baroda.*

PROVINCIAL GOVERNMENTS AND STATES CO-OPERATING WITH THE NATIONAL PLANNING COMMITTEE.

Madras

Bihar

Bombay

United Provinces

Central Provinces

Punjab

Assam

N. W. F. Province

Sind

Hyderabad

Mysore

Baroda

Bhopal

Travancore

Cochin

Aundh

Khairpur

Cambay

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PREFACE

The following pages contain the substance of the material published in Handbooks, Nos. I, II, III, IV, published by the National Planning Committee in 1939-40, and since gone out of print. No important item is left out of the present summary, except the detailed Questionnaire included in Handbook I, and the personnel of the various Sub-Committees, appendices re-attendance, accounts, and the like. The National Planning Committee, resuming work, after five years of interruption, in September, 1945, found a considerable demand for the Handbooks; and hence the present publication giving the necessary background as well as, information already collected, in a handy form, to facilitate and expedite the work of the Committee.

Bombay,
31st December, 1945.

K. T. SHAH,
Hon. Gen. Secretary.

Resolutions passed at the Conference of Ministers of Industries held in Delhi on the 2nd and 3rd October 1938 under the Chairmanship of Sjt. Subhas Chandra Bose, President of the Indian National Congress:

1. This Conference of the Ministers of Industries is of the opinion that the problems of poverty and unemployment, of National defence and of the economic regeneration in general cannot be solved without industrialisation. As a step towards such industrialisation, a comprehensive scheme of national planning should be formulated. This scheme should provide for the development of heavy key industries, medium scale industries and cottage industries, keeping in view our national requirements, the resources of the country, as also the peculiar circumstances prevailing in the country.

The scheme should provide for the establishment of new industries of all classes and also for the development of the existing ones.

Large Scale Industries.

2. This Conference having considered the views of several Provincial Governments, is of the opinion that pending the submission and consideration of a comprehensive industrial plan for the whole of India, steps should be taken to start the following large scale industries of national importance on an All-India basis and the efforts of all provinces and Indian States, should as far as possible, be co-ordinated to that end:

- (a) Manufacture of machinery and plant and tools of all kinds;
- (b) Manufacture of automobiles, motor boats, etc., and their accessories and other industries connected with transport and communication;
- (c) Manufacture of electrical plant and accessories;
- (d) Manufacture of heavy chemicals and fertilisers;
- (e) Metal production;
- (f) Industries connected with power generation and power supply.

Planning Committee.

3. With a view to doing preliminary work for giving effect to the resolutions 1 and 2, this Conference appoints a Planning Committee, the personnel of which will be announced later by the Congress President.

To enable this Committee to commence work forthwith, the different Provincial Governments are requested to make suitable financial contributions. The Committee will submit its report to the Congress Working Committee and to the All-India National Planning Commission provided for hereafter within four months of the commencement of its sitting.

4. This Conference is further of opinion that a Commission, fully representative of all-India, including the British Indian provinces and the Indian States, should be appointed for the purpose of giving effect to resolutions 1 and 2 after the consideration of the recommendations of the Planning Committee. The Commission to be called the All-India National Planning Commission, shall consist of the following members with powers to co-opt :—

- (a) One nominee of the Government of each province or State co-operating in this work ;
- (b) Four representatives of the Federation of Indian Chambers of Commerce ;
- (c) A representative of the All-India Village Industries Association and
- (d) All members of the Planning Committee mentioned in Resolution No. 3.

EXPERT ADVISERS.

The Planning Committee and the All-India National Planning Commission shall have a paid non-member Secretary with the necessary staff. The Commission shall at its first meeting, frame rules for its own procedure.

The Commission may appoint a Sub-Committee or sub-Committees of experts to report to it on technical or financial aspects of any industry under consideration and may, for expert investigation, employ suitable technicians.

The Commission shall submit interim reports on each industry by definite dates to be fixed by the Commission at its first meeting.

First Meeting.

The first meeting of the All-India National Planning Commission shall be presided over by the President of the Indian National Congress. At that meeting the Commission shall elect its own Chairman, who if not already a member of the Commission, shall, ex-officio, become a member of that body.

The Commission shall in its report, formulate complete schemes including recommendations on the following points :—

- (a) Place or places where a particular industry shall be established with due regard to all relevant circumstances, such as the supply of raw materials, natural and local advantages, facilities, etc. ;

(b) Method of organisation of industry, whether it should be under complete State control or under private enterprise and, in the latter case, the mode of State aid ;

(c) The method of financing the industry and its management.

Each co-operating Province and State shall make an initial financial contribution to the Commission to meet all necessary expenditure.

As soon as the All-India National Planning Commission comes into existence, the Planning Committee provided for in Resolution No. 3, will be absorbed in the Commission and will place before the Commission all the facts, materials, reports, etc., collected or drawn up by it.

Mr. V. V. Giri, Minister of Industries, Madras, will take the necessary steps in bringing into existence the All-India National Planning Commission and will also convene the first meeting of the Commission.

Power Alcohol.

5. This Conference is of opinion that it is of national importance that industrial and power alcohol should be manufactured in India and the necessary raw material, chiefly molasses, now available in India in huge quantities which is at present being wasted, should be fully utilised. This Conference has heard with satisfaction that the Governments of the Provinces of U. P. and Bihar, Bombay, Madras, have schemes for the manufacture of power and industrial alcohol under their consideration. This Conference is of opinion that all the provinces and States should fully co-operate and assist in the establishment and development of such an industry on an all India scale, and to that end this Conference strongly recommends that, necessary legislation should be enacted throughout India, to make illegal the sale of petrol unmixed with power alcohol for purposes of automobile fuel.

Automobile Industry.

6. This Conference resolves that all the Provincial Governments and Indian States should co-operate with and assist one another in matters of marketing, industrial research, compilation and distribution of commercial and industrial intelligence, expert advice and technical and vocational education.

7. This Conference favours the Automobile Project placed before it and recommends that the Planning Committee should examine the whole scheme in all its details and make its recommendations to the National Planning Commission.

CONGRESS PRESIDENT'S NOMINATIONS OF THE MEMBERS OF THE NATIONAL PLANNING COMMITTEE.

Pursuant to the Resolution passed at the Conference of the Ministers of Industries held in Delhi on the 2nd and 3rd October 1938, Shri Subhas Chandra

Bose, President of the Indian National Congress, nominated the following Members to the National Planning Committee :

- | | |
|---------------------------------|----------------------|
| 1. Jawaharlal Nehru, (Chairman) | 7. A. K. Shaha |
| 2. Sir M. Visvesvaraya | 8. Dr. Nazir Ahmed |
| 3. Sir Purshottamdas Thakurdas | 9. Dr. V. S. Dubey |
| 4. Dr. Megh Nad Saha | 10. Ambalal Sarabhai |
| 5. A. D. Shroff | 11. Dr. J. C. Ghosh |
| 6. K. T. Shah | |

Subsequently J. C. Kumarappa, representing the All-India Village Industries Association, and N. M. Joshi, representing Labour Organisations, were co-opted to the Committee.

Prof. Radha Kamal Mukerji was co-opted as a Member at the instance of the United Provinces Government. Walchand Hirachand was also co-opted.

FIRST SESSION OF THE NATIONAL PLANNING COMMITTEE, DECEMBER 17, 1938.

The National Planning Committee met for the first time on December 17, 1938 in the Committee Room of the Bombay Secretariat at 12 noon, under the Chairmanship of Shri Jawaharlal Nehru. Shri Subhas Chandra Bose, Congress President, inaugurated the proceedings. The Chairman then made his introductory speech.

2. The Committee sat daily from December 17 to December 21, 1938. The following members and representatives of Provincial Governments and States attended these sessions :

Jawaharlal Nehru (Chairman),
 Hon. Mr. V. V. Giri, Minister for Industries, Madras,
 Hon. Mr. L. M. Patil, Minister for Industries, Bombay,
 Hon. Mr. C. J. Bharuka, Minister for Industries, C.P.,
 Sir Purshottamdas Thakurdas,
 Sir M. Visveswaraya,
 A. D. Shroff,
 Ambalal Sarabhai,
 Dr. V. S. Dubey,
 Dr. Nazir Ahmed,
 A. K. Shaha,
 Prof. K. T. Shah,
 Walchand Hirachand,
 J. C. Kumarappa,
 P. B. Advani, Director of Industries, Bombay,
 A. Mohiuddin, Director of Industries, Hyderabad,

M. S. Ramchandra Rao, Director of Industries, Mysore,
S. M. Pagar, Development Commissioner, Baroda.

3. The first business of the Committee was to organise an office and to prepare a budget. The Hon'ble Mr. L. M. Patil was appointed the Honorary Treasurer of the Committee.

4. The Committee authorised the Chairman to co-opt to the Committee representatives of the All-India Village Industries Association and of Organised Labour. Prof. Radha Kamal Mukerji and Shri Walchand Hirachand were also co-opted as Members.

5. It was decided that the Ministers of Industries of the Provinces co-operating with the Committee should be ex-officio members of the Committee.

6. The Chairman was given power to co-opt members on the National Planning Committee whenever he considered necessary.

7. The following resolution was adopted by the Committee on River Commissions :

"The Planning Committee is of the opinion that the various Provincial Governments should create Provincial and, where necessary, inter-provincial River Commissions for the regulation, development and control of the various rivers and waterways for the purpose of providing :—

- (i) water for agriculture and industries ;
- (ii) hydro-electric power ;
- (iii) cheap transport ;
- (iv) prevention of erosion silting and floods ; and
- (v) safeguarding the health of the people.

The Commission should also consider and deal with problems of shifting of river beds."

8. The Questionnaire which was to be issued on behalf of the Committee was agreed to.

CHAIRMAN'S NOTE ON CONGRESS POLICY.

The resolutions passed at the Conference of Ministers in October 1938, in pursuance of which this Planning Committee is being held, definitely approve of large scale industries. They indicate that a planning scheme which should include the development of heavy key industries, medium scale industries and cottage industries, should be drawn up.

A question is raised, however, as to whether it is open to the Planning Committee to consider the establishment or encouragement of large scale industries, except such as may be considered key industries, in view of the general Congress policy, in regard to industry. This Congress policy, as is well known,

shows a strong bias towards the 'development of cottage industries, specially of hand-spinning and hand-weaving. It follows that the Congress would disapprove of any policy which came in the way of its development of cottage industries. But there appears to be nothing in the Congress resolutions against the starting or encouragement of large scale industries, provided this does not conflict with the natural development of village industries.

Since 1920, Congress has laid stress on hand-spinning and hand-weaving and that emphasis continues. In May 1929, the All India Congress Committee passed a resolution to the effect that "in order to remove the poverty and misery of the Indian people and to ameliorate the condition of the masses, it is essential to make revolutionary changes in the present economic and social structure of society and to remove the gross inequalities." This resolution indicates an approval of socialistic theories, but apart from this general approval and some further advances in subsequent resolutions, the Congress has not in any way accepted socialism.

In March 1931, the Karachi Congress passed an important resolution on fundamental rights and economic programme. This resolution contained the following clause :

"The State shall own or control key industries and services, mineral resources, railways, water-ways, shipping and other means of public transport."

This was stated with reference to the future Swaraj Government which the Congress envisaged.

In July 1934, the Working Committee passed a resolution at Benares in which stress was laid on Congressmen using only hand spun and hand woven khadi to the exclusion of any other cloth. Further it was stated that the "activities of Congress organisations relating to Swadeshi shall be restricted to useful articles manufactured in India through cottage and other similar industries." It was further stated in this resolution that "large and organised industries are in no need of the services of Congress organisations or of any Congress effort on their behalf."

Three months later at the Bombay Congress the All India Village Industries Association was formed. It is clear that the Congress considered it unnecessary to push large scale industries through its organisation and left this to the State as well as to their own resources. It did not decide in any way against such large-scale industry.

Now that the Congress is, to some extent, identifying itself with the State it cannot ignore the question of establishing and encouraging large scale industries. Every provincial government has to face this issue and it was because of this that the Working Committee, as early as August 1937, recommended to the Congress Ministries the appointment of Expert Committees for purposes of national reconstruction and social planning. The Working Committee evidently had in mind

large scale State planning which included big industry as well as cottage industry.

As no action was taken by the Congress Ministries on this resolution for nearly a year, a second resolution was passed by the Working Committee in July 1938, authorising the President to convene a Conference of the Ministers of Industries. It was as the result of this resolution that the Delhi Conference was held, and the resolution under which this Planning Committee is functioning was passed.

It is clear therefore that not only is it open to this Committee and to the Planning Commission to consider the whole question of large scale industries in India, in all its aspects but that the Committee will be failing in its duty if it did not do so. There can be no Planning if such Planning does not include big industries. But in making our plans we have to remember the basic Congress policy of encouraging cottage industries.

21st December 1938.

Jawaharlal Nehru

SECOND SESSIONS OF THE NATIONAL PLANNING COMMITTEE, JUNE 1939.

The National Planning Committee began its second sessions on Sunday, June 4, 1939 in Bombay, and sat daily (except on June 15th) till 17th June 1939. On the first day Shri Rajendra Prasad, the Congress President, was present at the meeting. Shri Jawaharlal Nehru presided at all the meetings and the following members and representatives of Provincial Governments and States attended these sessions :

Jawaharlal Nehru,

Hon. Mr. V. V. Giri, Minister for Industries, Madras,

Hon. L. M. Patil, do. do. Bombay,

Hon. Dr. Syed Mahmud, do. do. Bihar,

Sir Purshothamdas Thakurdas,

Sir M. Visveswaraya,

Dr. Megh Nad Saha,

A. D. Shroff,

K. T. Shah,

A. K. Shaha,

Dr. Nazir Ahmed,

Dr. V. S. Dubey,

Ambalal Sarabhai,

Dr. J. C. Ghosh,

J. C. Kumarappa,

Walchand Hirachand,

Dr. Radha Kamal Mukerji,

N. M. Joshi,

Shuaib Qureshi, Minister-in-Charge, Bhopal,

P. B. Advani, Director of Industries, Bombay,

M. B. Pillai, Director of Industries, Bihar,

M. Khurshid, Director of Industries, Assam,

A. Mohiuddin, Director of Industries, Hyderabad,

M. S. Ramachandra Rao, Director of Industries, Mysore.

Dr. C. A. Mehta, Director of Industries, Baroda.

2. The Committee considered and approved of a memorandum by the Chairman dated June 4th on the approach to and the guiding principles involved in a planning scheme.

3. The following Resolution on licensing was passed:—

“This Committee is of the opinion that no new factory should be allowed to be established and no existing factory should be allowed to be extended or to change control without the previous permission in writing of the Provincial Government. In granting such permission the Provincial Government should take into consideration such factors as desirability of location of industries in a well distributed manner over the entire province, prevention of monopolies, discouragement of the establishment of uneconomic units, avoidance of over-production and general economic interest of the province and the country. The various provincial Governments should secure for themselves requisite powers for the purpose, if necessary, by undertaking suitable legislation.”

4. The following budget of expenditure for six months ending 31st December 1939 was passed:—

Office Establishment	14,490
Travelling Expenses of Staff and Committee and Sub-Committee Members and other Expenses of Sub-Committee Members	19,000
Printing, Postage and Stationery	6,100
Library and Reference books	1,000
Contingencies & Miscellaneous	9,000
	<hr/> 49,590

The Chairman was given authority to pass additional expenditure if necessary and to engage additional members of the Staff.

5. The Committee appointed Prof. K. T. Shah as Honorary General Secretary of the Committee, and, as such, the executive head of the Office and organisation. He was requested to keep in touch with all the sub-committees and

co-ordinate their activities, keeping in view the general directions issued by the Committee. For this purpose he was to be an ex-officio member of all the sub-committees appointed by the National Planning Committee.

6. Tentative lists of Key and Defence industries and Public Utilities were prepared, as also a list of such cottage industries as have to meet the competition of large scale industries.

It was resolved to forward these lists to the sub-committees concerned for their consideration.

7. The Committee appointed twenty-nine sub-committees to investigate and report on various problems and formulated detailed terms of reference for each of these. A General Note for the guidance of these sub-committees was also approved of and passed.

8. It was decided that in the event of any reference being made by a sub-committee, this should be decided by the Chairman and the General Secretary in consultation with the Chairman of the sub-committee concerned.

9. The Committee was of opinion that the sub-committees on allied or over-lapping subjects should co-ordinate their activities as far as possible and for this purpose their Chairmen and Secretaries might meet together whenever necessary. It should be the function of the General Secretary and of the office to help in such co-ordination.

10. In order to facilitate the co-ordination of the work of all sub-committees, a meeting of all the Chairmen and Secretaries of sub-committees should be held on a suitable date in the second or third week of July 1939 in Bombay. The General Secretary will convene this meeting.

11. Each sub-committee should be asked to send a brief abstract of their report and recommendations together with their full report.

12. Resolved that the Bombay Members of the National Planning Committee do form a Publicity sub-committee to keep the public informed of the activities of the National Planning Committee and its sub-committees. The General Secretary to be the convenor of this sub-committee.

13. The Committee was of opinion that the forthcoming Census operations should be utilised for the purpose of collecting additional information of various kinds which is necessary for effective planning. It was resolved that letters to this effect be sent to the Government of India, and the Provincial and States Governments.

14. It was resolved to hold the next sessions of the National Planning Committee during the Puja holidays in the second half of October 1939, the exact dates being fixed later.

CHAIRMAN'S MEMORANDUM DATED 4th JUNE, 1939.

The first meeting of the National Planning Committee took place five and a half months ago in December last. A questionnaire was drafted at this meeting and this was sent to various Governments, universities, public bodies, chambers of commerce, trade unions, firms and individuals. It was hoped that the next meeting of the Committee might take place by the end of March but repeated requests were made by those to whom the questionnaire was issued for an extension of time. These requests were not unreasonable as the questionnaire was a difficult and exhaustive one and required considerable labour if satisfactory answers were to be given. An extension of time was therefore granted and this has led to a delay in our holding our second sessions. I trust the Committee will excuse this delay.

2. In the resolution of the Conference of Ministers of Industries by which this Committee was appointed, it was laid down that the Committee was to submit its report to the Congress Working Committee and to the All India National Planning Commission within four months of the commencement of its sitting. That period is already over and we are far from the report stage yet. We have now received a considerable number of answers to our questionnaire and we have to consider them. We may have to appoint a number of sub-committees to investigate each individual problem separately, and then we have to meet again to consider the reports of these sub-committees. I do not think that at this stage these sub-committees will be required to make very detailed investigations and they should submit their reports within a reasonably short time.

3. I should like the preliminary report of the Planning Committee to be ready for presentation to the Congress Working Committee by October next at the latest. This report will of course not embody the full planning scheme in all its details. For this further investigations will be necessary. This might be undertaken by this Committee or by the Planning Commission which it is proposed to set up. In any event it becomes necessary to request the Congress Working Committee to grant us an extension of time, and I would suggest that the 31st October 1939 would be a suitable time limit.

4. We have been asked to draw up a National Plan for India, or at any rate to indicate the general nature of such a Plan, the details of which can be filled in from time to time. Before we formulate such a Plan of national development, which is likely to cover all branches of material and cultural life of the country, we must be clear in our minds about our objective and the basic considerations which should govern such a Plan. It is clear that the drawing up of a comprehensive national Plan becomes merely an academic exercise, with no relation to reality, unless the Planning authority, or those to whom it is responsible, are in a position to give effect to that Plan. If this authority is powerless or is circumscribed and restricted and its activities limited, it cannot plan.

5. It follows, therefore, that the National Authority which plans must also have full power to give effect to its planning. An essential pre-requisite for planning is thus complete freedom and independence for the country and the removal of all outside control. This implies that the country possesses in itself full sovereign authority to take any measures, adopt any policies, and form any relations with other countries as may seem best to its governing authority in the interests of the country and its people.

6. It is possible that in the event of the formation of a world union of free and equal nations, this sovereign authority might be voluntarily limited to some extent by each component unit in the interests of world planning and co-operation. But such a development would not come in the way of national planning. If it takes place on right lines, it might even help the planning within a nation. In any event we need not take this, for the present, remote possibility into consideration.

7. National independence is thus an indispensable preliminary for taking all the steps that might be found necessary for carrying out the plan in all its various aspects. It is not even possible to draw up a plan on any other basis. At the present moment it is clear that not only have we in India no national independence, but we are hedged in and obstructed by numerous restrictions, limitations, safeguards and reservations which block our path to planning and progress.

8. Our Plan for national development must therefore be drawn up for a free and independent India. This does not mean that we must wait for independence before doing anything towards the development of planned economy. Even under existing conditions we must make every effort to adopt all measures and policies which develop the resources of the country and raise the standard of our people. All such efforts, however, must be directed towards the realisation of the Plan we have drawn for a free India. They should neutralise, as far as possible, the force of the existing restrictions on our constitutional powers, and should not create new vested interests, or further erroneous policies, which might form new obstacles in the achievement of our goal and the realisation of our full plan.

9. We have thus to draw up a full Plan which would apply to a free India and at the same time indicate what should be done now, and under present conditions, in the various departments of national activity.

10. The ideal of the Congress is the establishment of a free and democratic State in India. Such a full democratic State involves an egalitarian society, in which equal opportunities are provided for every member for self-expression and self-fulfilment, and an adequate minimum of a civilised standard of life is assured to each member so as to make the attainment of this equal opportunity a reality. **This should be the background or foundation of our Plan.**

11. The Congress has, in view of present conditions in India, laid great stress on the encouragement of cottage industries in India. Any planning must therefore take note of this fact and base itself on it. This does not necessarily mean a conflict between cottage industries and large-scale industries. A large number of essential industries, which are necessary for the independence and well-being of the country, must inevitably be on a large-scale. The very resolution appointing the Planning Committee calls upon us to provide for the development of heavy key industries, medium scale industries and cottage industries. It lays down that the economic regeneration of the country cannot take place without industrialisation. We have thus to expedite this industrialisation and to indicate how and where key and basic industries are to be started. We have to demarcate, in so far as is possible, the domains of large-scale and cottage industries, and where the latter have been especially fostered by the national movement, to give them every protection and encouragement.

12. The Congress has laid down in its Karachi resolution on Fundamental Rights that the State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport. The general indication of Congress policy is of vital importance and applies not only to public utilities but to large-scale industries and enterprises which are likely to be monopolistic in character. A legitimate extension of this principle would be to apply it to all large-scale enterprises. It is clear that our Plan must proceed on this basis and even if the State does not own such enterprises, it must regulate and control them in the public interest.

13. It may be impracticable to insist on State management of existing industries in which vested interests have already taken root. But wherever even an established industry, under private control, receives aid or protection from the State, or tends to develop into a monopoly, or comes into conflict with the general policy of the State in regard to workers or consumers, the State should take necessary steps to assure conformity in all such ventures with its basic policy and with the objective laid down in the Plan.

14. The Karachi Congress resolution on Fundamental Rights further laid down that :

- (a) The organisation of economic life must conform to the principle of justice, to the end that it may secure a decent standard of living.
- (b) The State shall safeguard the interests of industrial workers and shall secure for them, by suitable legislation and in other ways, a living wage, healthy conditions of work, limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen, and protection against the economic consequences of old age, sickness and unemployment.

15. The resolution appointing this Committee does not mention agriculture as such, but it is impossible to conceive of any scheme of national planning in any country, and least of all in India, which does not include agriculture. Agriculture is and will remain the largest single industry of this country, and it is associated with a host of subsidiary industries. Any improvement of or variation in agriculture has far-reaching results in the economy of the nation. Cottage industries are intimately connected with it, more especially as providing suitable occupations for the spare time of the agriculturists. Agriculture must therefore inevitably be considered by this Committee in its scheme of national planning.

16. I suggest that some of the points noted above, and others of a like nature, might be considered by the Committee before we proceed to a detailed examination of the answers to our questionnaire and other problems. This will enable us to lay down our general policy and indicate our method of approach to the problem. It will also prevent a repetition of arguments on the same subject. We have to remember that the Plan must be a comprehensive programme of national development, each part fitting in to the other. It has to be viewed in this perspective and drawn up as such.

17. Prof. K. T. Shah has, at my request, very kindly prepared a rough sketch of a draft plan. I requested him to do so as I felt that some such draft would help us to view the subject as a whole and to consider its various aspects. This draft has been circulated to the members.

18. After we have discussed and laid down these points of basic policy, and examined briefly the replies to the questionnaire, we might proceed to the appointment of sub-committees. These sub-committees would then be guided by this policy as well as such further terms of reference as we might lay down. I think it is important that the sub-committees should meet soon and report as early as possible. We cannot afford to lengthen out our work. It is possible that some of the sub-committees might even report before our present session ends. We have asked the members of the Committee to come prepared to stay here for a fortnight.

19. We shall have to reorganise our whole office and make further arrangements about our finances. Work has grown and will grow rapidly and our present staff is unable to cope with it. I suggest that we appoint a sub-committee to go into this matter and report to us within a few days.

20. Our finances are at present low and Provincial Governments and States who are co-operating with us should be requested to send further and substantial contributions. The work this Committee is doing is essentially their work and they should not grudge us help. On our part we must organise our work as economically as possible. Although we are supported by various Provincial Governments and States we need not, and indeed we cannot afford to, fall into the bad

habits of official committees and commissions which are notorious for spending on themselves large sums of public money. We should rather try to observe the standards laid down by the Congress for its committees.

Jawaharlal Nehru

NOTE FOR THE GUIDANCE OF SUB-COMMITTEES OF THE NATIONAL PLANNING COMMITTEE.

1. The National Planning Committee has been entrusted with a task which is vast in its scope, vital in its significance and intimately connected with the progress and future well-being of the people of this country. In order to have the fullest assistance and co-operation of others in this task, the committee has appointed a number of sub-committees consisting of eminent and distinguished experts in various fields of national activity. Planning is a much used word in the world to-day; yet in India this is the first attempt to plan on a national basis and to co-ordinate the manifold activities of the nation. Many fundamental questions arise as to the nature of this Planning, the objective in view and the methods to be adopted. Final decisions on most of these questions will have to be taken at a later stage by the Planning Committee and the ultimate acceptance of those decisions and their application will lie with the representatives of the people. But there cannot even be an approach to planning without some clarification of the objectives and the methods to be employed.

2. The Chairman of the Planning Committee in a memorandum which he presented, drew the attention of the Committee to some of the guiding principles and objects which should govern national planning. A copy of this memorandum is attached to this note and the particular attention of all members of sub-committees is invited to it. This note has been prepared in further amplification of the Chairman's memorandum for the guidance of the sub-committees. It is of the essence of planning that there should be co-ordination between various activities, and it thus becomes necessary that the various sub-committees should have a common purpose governing their outlook and should co-operate together in building a National Plan which is an organic whole, each part of it having its proper place and fitting in with the other parts.

3. What is planning? Planning under a democratic system may be defined as the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution in accordance with social objectives set by bodies representative of the nation. Such planning is not only to be considered from the point of view of economics and the raising of the standard of living, but must include cultural and spiritual values and the human side of life.

4. Such a plan thus requires a social objective and the power and authority to

give effect to the Plan. If this power is limited in any way or there are other restrictions, political or economic, which come in the way of the working out of the Plan, no comprehensive planned economy can develop. Real Planning can only take place with full political and economic freedom, and a national plan must therefore be based on India having sovereign authority. At the same time, in view of present circumstances prevailing in the country, and the restrictions that have been imposed upon us, the Plan must also indicate what is immediately feasible and what steps should be taken, even under existing conditions, to work towards the realisation of the Plan and to secure the fullest possible utilisation of the national resources for raising the standard of life. Such steps must be in keeping with the scheme of a planned economy, and in no event must anything be done which might come in the way of that Plan.

5. There is a large measure of agreement in the country about our social objectives and yet there are vital differences also. It is possible that many of these differences might be resolved as a result of this enquiry. To some extent these objectives have been indicated by the National Congress in a number of resolutions and by the general policy it has pursued. We must adhere to this general policy and keep these objectives in view. Reference has been made to these in the Chairman's memorandum.

6. The Congress has laid stress for many years on the development of cottage industries and has sought to direct the attention of the country to the condition of the villagers. We cannot forget that emphasis or ignore the fact that all progress in India must be measured in terms of raising the standards of India's millions. An apparent conflict has arisen in the minds of some between the claims of cottage industries and those of large scale industries. This conflict is largely one of emphasis. It is clear that in India today the development of cottage industries on a vast scale is essential for the well-being of the masses. It is equally clear that the rapid development of large scale machine industry is an urgent need of the country. Without industrialisation no country can have political or economic freedom, and even cottage industries cannot develop to any large extent if economic freedom is absent. Without industrialisation also the rapid and effective raising of the standard of the people is not possible. Key industries, defence industries and Public Utilities must be developed on a large scale. Even the development of cottage industries is helped greatly by the supply of cheap power and suitable machinery for cottage use which are obtainable from the working of large scale enterprises. To some extent handicrafts and large scale industrial enterprises are complementary to each other. The problem before the country, therefore, is one of co-ordinated growth in both directions and the avoidance, so far as is possible, of conflict between cottage industry and large scale industry.

7. The emphasis of the Congress on cottage industries is chiefly due to its desire to have a more equitable system of distribution and to avoid the evils that

have resulted from indiscriminate and uncontrolled industrialism. Distribution is the vital corner-stone of any planned economy and the evils of industrialism can and should be avoided if there is an equitable system of distribution. In the national Plan for India a proper scheme of distribution must therefore be considered as essential.

8. The resolution of the Delhi Conference of Ministers of Industries which led to the formation of the National Planning Committee, is a clear direction to the Committee to hasten industrialisation, and calls for the development of heavy Key industries, medium scale industries and cottage industries. These are the terms of reference of this Committee. It should be further remembered that the Congress has laid down in its resolution on Fundamental Rights that "The State shall own or control Key Industries and Services, Mineral Resources, Railways, Waterways, Shipping and other means of Public Transport."

9. The principal objective of planning the national economy should be to attain, as far as possible, national self-sufficiency and not primarily for purposes of foreign markets. This does not exclude international trade, which should be encouraged, but with a view to avoid economic imperialism. The first charge on the country's produce, agricultural and industrial, should be to meet the domestic needs of food supply, raw materials and manufactured goods. But outlets for surplus goods may be explored to meet the requirements of India's international indebtedness.

10. The fundamental aim to be kept in view is to ensure an adequate standard of living for the masses. An adequate standard of living implies a certain irreducible minimum plus a progressive scale of comforts and amenities. Estimates of economists in different parts of India put down this irreducible minimum at figures varying from Rs. 15 to Rs. 25 *per capita* per month in the present value of the rupee. The expression in terms of money is only used for the sake of convenience, the real measure being in terms of goods and services. An approximate estimate put the average annual income *per capita* at Rs. 65. This includes the rich and the poor, the town-dweller and the villager. The average of the villager is estimated to be somewhere between Rs. 25 and Rs. 30 *per annum per capita*. This implies not only a considerable deficit in food supply but also in the other essential requirement of human existence. The national income must therefore be increased greatly during the next ten years to ensure an irreducible minimum standard for everybody. In order to secure this minimum standard not only will it be necessary to increase production but also to bring about a more equitable distribution of wealth.

11. A really progressive standard of life will necessitate the increase of the national wealth five or six times. But for the present the minimum standard which can and should be reached is an increase of national wealth of between two and

three times within the next ten years. It is with this object in view that we should plan now.

12. Planned advance has to be measured by certain objective tests from year to year. These may be laid down as follows :—

- (i) The improvement of nutrition from the standard of an irreducible minimum requirement of proteins, carbohydrates and minerals (as well as necessary protective foods) having a calorific value of 2400 to 2800 units for an adult worker.
- (ii) The improvement of clothing from the present consumption of about 15 yards on an average to at least 30 yards *per capita* per annum.
- (iii) Housing standards to reach at least 100 sq. ft. *per capita*.

13. Viewed from another standpoint the following indices of progress should be borne in mind :—

- (i) The increase in agricultural production ;
 - (ii) The increase in industrial production ;
 - (iii) The diminution of unemployment ;
 - (iv) The increase in *per capita* income ;
 - (v) The liquidation of illiteracy ;
 - (vi) The increase in public utility services ;
 - (vii) Provision of medical aid on the basis of one health unit for 1000 population ;
 - (viii) The increase in the average expectation of life.
- To meet at least the requirements laid down in 12 (i) and (ii) above.

Statistical data have to be collated and compared with a view to measure the progress of the Plan from time to time. The development of statistical work will be necessary to keep pace with the development of planning.

14. The different sectors of the Plan have necessarily to be co-ordinated. The essence of planning is an advance on all fronts. There must be agricultural planning, the object being that the country should be at least self-sufficient as regards food stuffs measured in terms of the food index given above, and as regards the quantity of raw materials, this should be raised by a pre-determined percentage. Soil conservation, afforestation, grass land management, flood control and river management and improvement of inland navigation and transport, improvement of live stock and fodder supply, are items in the planned programme which have not yet been taken up systematically. Power development and the conservation and development of coal and other kinds of fuel for industrial power also demand plan-

ning. More important is the planning of different kinds and types of industries, large, medium and cottage, which alone may effectively mitigate the present pressure of population on the soil. Within a decade the aim should be to produce a balanced economic structure in which about half the population would depend on agriculture.

15. Education, general and vocational, and developmental research also have to be included in a planned programme. The place and organisation of public services should be in keeping with the requirements of the Plan.

16. No planning can succeed if the rate of economic progress is outrun by the rate of increase in population. In the planned economy of India emigration shall not be based on the deliberate policy of developing population so as to create a surplus to settle in other countries but such surplus may be allowed to emigrate through agreements with other countries with due regard to the rights of such settlers in those parts.

17. A ten year limit for the accomplishment of the Plan with control figures for different periods and different sectors of economic Life should be laid down.

18. Defence industries should be owned and controlled by the State : Public Utilities could be owned or controlled by the State but there is a strong body of opinion which is in favour of the State always owning Public Utilities. Other Key industries should be owned or controlled by the State.

19. Other conditions, such as availability of raw materials and resources and ready access to large consuming centres, being equal, special attention should be devoted in the Plan to the development of industrially backward regions. In recommending the distribution of the several industries all over the country, care should be taken to see that full opportunity is available to every Province and State to develop, as far as possible, its raw materials, employ its labour, and invest its capital.

20. Labour legislation and codes, health, sickness and unemployment insurance, national housing and social welfare schemes will have to be co-ordinated with the Plan. The Provinces and States will initiate these, but the National Planning Commission should lay down the general policy governing the minimum standard of wages and the employment of labour.

21. Provinces vary in capital resources and in the capacity for industrial experimenting and pioneering. It will be desirable for them to work through the National Planning commission with its appropriate adjuncts.

22. As regards ways and means for a planned economic development in general the credit of the provincial and central Governments should be fully utilised to raise necessary finance, and the investment policy of the banking and insurance institutions of the country will have to be changed in order to further

industrial planning. Reorganisation and control of the currency system are essential for economic recovery.

23. A complete scheme of planned economy is a vast undertaking requiring full information and data and the willing co-operation of the technical experts, industrialists, administrators and the public at large. It is a progressive scheme being continually adjusted to changing conditions and always taking advantage of the experience gained in its working. The National Planning Committee is obviously not in a position to draw up such a complete scheme nor does it intend to do so at this stage. What is intended now is to lay the foundation of a planned economy on which the future structure can be built. But even at this stage the full picture must be envisaged, a complete outline drawn up, which can be filled in later as opportunity comes and further materials are available. India is one of the very few countries in the world which has practically all the resources within its borders of building up a planned system.

24. The Committee therefore proposes to proceed on the existing data, or on such materials as can easily be obtained, and to draw up a broad outline picture.

It is hoped to present early next year a preliminary report which can be the basis for the stage of planning. The sub-committees are requested to bear this in mind as the time factor is important. All the sub-committees should send their reports to the National Planning Committee by the 31st December 1939 at the latest. It is hoped, however, that such sub-committees as can do so will send their reports by the 31st October or earlier.

25. A schematic outline of national planning is appended herewith.

LIST OF SUB-COMMITTEES WITH THEIR TERMS OF REFERENCE :

General Terms of Reference :

Each Sub-Committee to read through the replies of the questionnaire dealing with their particular subject, and draw a report to be submitted to the National planning Committee.

Each Sub-Committee to submit a memorandum in continuation of the report dealing with the present state of affairs within its purview, lay down the objectives to be realised within a specific period and indicate the lines and methods by which the objective is to be achieved.

1. AGRICULTURE.

1. Rural Marketing and Finance.
2. River Training and Irrigation.
3. Soil Conservation and Afforestation.
4. Land Policy, Agricultural Labour and Agricultural Insurance.

5. Animal Husbandry and Dairying.
6. Crops—Planning and Production.
7. Horticulture.
8. Fisheries, (Marine and Inland).

This group of Sub-Committees deals with matters which are included, generally speaking, in questions Nos. 8-10, 41-65, 66-90 inclusive, of the Questionnaire.

1|1. *Rural Marketing and Finance.*

This Sub-Committee deals with :—

- (a) organisation and technique of markets in rural areas at convenient centres ;
- (b) storing and grading of commodities ;
- (c) financing of such commodities while being marketed, and devising appropriate institutions and instruments to develop rural credit ;
- (d) place and burden of middlemen in marketing ;
- (e) the necessary transport facilities ;
- (f) method of distributing the portion needed for local consumption ;
- (g) organisation of the village community for efficient distribution of commodities and rapid turnover ;
- (h) regulation and development of local trade, (including advertising), and control and regulation of prices ;
- (i) correlating each unit's trade with the means of production within that unit ;
- (j) organisation of the unit's trade with other units within the country or outside.

1|2. *River Training and Irrigation.*

This Sub-Committee deals with :—

- (a) the care of rivers (including river sanitation and water supply for human consumption) ;
- (b) training of rivers for development of power ;
- (c) protection against floods ;
- (d) utilisation of rivers for navigation ;
- (e) providing adequate water for agriculture, by canal, well or tank irrigation ;

and any other questions connected with water supply and conservation.

1|3. *Soil Conservation and Afforestation.*

This Sub-Committee deals with :—

- (a) the protection against erosion, floods and other detrimental factors affecting the soil ;
 - (b) treating it with manure and fertilisers ;
 - (c) providing drainage and other facilities needed to guard against water-logging, weeds, etc ;
 - (d) planting of new forests in areas denuded of forests ;
 - (e) care of existing forests and silviculture ;
 - (f) development of forest produce ;
 - (g) establishing or developing industries founded upon forest produce ;
 - (h) provision of transport facilities needed to develop forests ;
 - (i) reclamation of land ;
- and all other pertinent questions connected with silviculture and industries founded on forest produce.

1|4. *Land Policy, Agricultural Labour and Insurance.*

This sub-committee deals with :—

- (a) the use and ownership of land and their effects on cultivation and social stratification ;
- (b) measures to be suggested for agrarian reform with a view to bring about an equitable distribution of land resources and their effective utilisation for the maximum benefit of the country ;
- (c) land policy and legislation concerned therewith including the size of economic holdings, with due regard to the numbers to be supported, as well as to the full utilisation of the equipment available ;
- (d) land revenue including Permanent Settlement, agricultural rent, other customary dues or cesses and charges, legislation affecting tenure of land, inheritance, alienation of agricultural land by sale to non-agricultural classes ;
- (e) supply of cheap power for agricultural purposes ;
- (f) ways and means of bringing under cultivation culturable waste ;
- (g) agriculturists ; co-operation for production and consumption ;
- (h) rural indebtedness in relation to Land Policy ;
- (i) other legislation affecting the life and activities of agriculturists ;
- (j) agricultural labour including wages, hours of work, conditions of employment, efficiency of labour, and legislation affecting the same ;

landless labourers, partial owners, and tenants or sub-tenants working on land ; agrestic serfdom ;

- (k) agricultural Insurance, including provision against famine, flood, loss of crops, diseases of cattle, due to particular pests and other contingencies of agricultural life

1|5. *Animal Husbandry & Dairying.*

This sub-committee deals with :—

- (a) Animal husbandry, comprising cattle breeding needed for farm labour, transport and food supply ;
 - (b) fodder for live stock and animal nutrition ;
 - (c) products of animals (hides, horns, hair, bones, guts, etc.) and their uses ;
 - (d) animal diseases and elimination of uneconomic stock ;
 - (e) Dairy products, including milk, butter, ghee, cheese, Casein, and products therefrom ;
 - (f) poultry farming ;
 - (g) bee-keeping,
- and any other questions connected therewith.

1|6. *Crops—Planning & Production.*

This sub-committee deals with :—

- (a) development of scientific agriculture, with proper attention to bring about a suitable balance between food crops (wheat, rice, millets, pulses, etc.) and commercial crops (cotton, jute, tobacco, tea, coffee, oil seeds, &c.) ;
- (b) fodder crops ;
- (c) organisation of the agricultural community so as to utilise most efficiently the time and labour of the population by establishing, encouraging and developing appropriate subsidiary industries dependent on agriculture ;
- (d) dissemination of technical information and practical demonstration of improved agricultural methods.

1|7. *Horticulture.*

This sub-committee deals with :—

- (a) market gardening, cultivation of vegetables, fruits, and flowers ;
- (b) methods of fruit preservation (canning, making of pickles, etc. refrigerated gas storage of fruits and vegetables) ;

- (c) other subsidiary industries, e.g. essential oils, scents, attars &c, and any other questions connected therewith.

1|8. Fisheries.

This sub-committee deals with :—

- (a) inland fishing ;
- (b) coastal fishing ;
- (c) deep sea fishing ;
- (d) pisciculture ;
- (e) fish products including fish oil and fish meal, dried and smoked fish ;
- (f) marketing of fresh fish including cold storage and transport facilities :

II. INDUSTRIES.

- 1. Cottage and rural industries, including marketing and finance,
- 2. Power and fuel,
- 3. Chemicals,
- 4. Mining and Metallurgical industries,
- 5. Engineering industries (machines, machine tools and prime movers etc.) including transport industries,
- 6. Manufacturing industries,
- 7. Industries connected with public services such as education (press, cinema), sanitation, making scientific instruments and appliances etc.

This group of sub-committees deals with industries including both small scale (or cottage) industries and large scale industries equipped with power-driven machinery and working for a large market, national or international.

The questions relating to these are comprised in the questionnaire, particularly questions Nos. 10-16, 17-40, 146-151 and in the supplementary questionnaire Nos. 1-6, 17-26, 65-70 inclusive.

The following are the general terms of reference for this group of sub-committees ; in addition to these general terms and references, specific terms for each of the special sub-committees will be found under the corresponding heading infra.

- (a) Location of industries, with due regard to the raw materials needed, power supply required, man-power available and market to be supplied. In cases where more than one locality has these facilities for establishing any industry, the problem of location will also comprise the co-ordination and rational distribution of several such establishments, so as to avoid over-production, misdirection of national energy, or internal rivalries. Due regard should be paid to the fullest

utilisation by every unit in the country of all locally available raw materials, fuel or labour supply, and local or national market, in order to avoid any chance of monopolies being developed in industries under private ownership and management ;

- (b) Conservation and full economic utilisation of natural resources, especially minerals and fuel sources ;
- (c) The agency to conduct, control or supervise these industries,—whether individual, partnership firm, joint stock companies, statutory corporations, local bodies, provincial governments or national governments, Indian or non-Indian.

Policy and legislation relating to this question of the agency to conduct, control or supervise particular industries may be enumerated by all the sub-committees in this group sitting together. Ways and means of acquiring industries of national importance by Government if not under public ownership and management from the start.

- (d) Regulation and control of such monopolies including trust and cartels, as may have been developed in any industry (e.g., cement, or shipping, electrical, safety match) ;
- (e) Housing of industries in the appropriate buildings, equipment with plant and machinery; size of operations ; rationalisation of existing industries, admitting of such improvement ;
- (f) Finance of each of these group of industries to be considered in collaboration with special sub-committees dealing with industrial finance, both by way of initial and working capital ;
- (g) Marketing of the produce, both in India and outside, with due regard to the maintenance of a reasonable stability of prices ;
- (h) Protection, encouragement, assistance or safeguard of such industries by the State in an appropriate form and to an adequate degree; particularly against international combines ; consideration of the fiscal policy of the country ;
- (i) Industrial Legislation, providing for control and supervision of industry, standardisation, maintenance of efficiency, rationalisation of work, regulation of markets etc., patents (and copyrights), licensing, and general policy regarding mining concessions ;
- (j) Legislation regarding relations of employer and workmen, including the maintenance of industrial peace, together with ways and means for ensuring it ;
- (k) Defining general policy affecting competition and co-ordination between cottage industries and industries worked by power-driven machinery ;

- (l) to survey the present deficiency of technically trained men in all branches of industry, and suggest measures for making good the deficiency ;

N.B. The various sub-committees concerned should submit a note on this subject to the Technical Education Sub-Committee.

- (m) to consider measures for manufacture of the necessary machinery and apparatus and submit notes thereon to the Engineering Industries Sub-Committees.

The group of Key Industries is given in an appendix.

N.B. No mention is made here of industries concerned with consumption goods and services ; but they will have to be taken up later.

II|1. *Cottage and Rural Industries.*

This Sub-Committee deals with :—

- (a) the survey of the condition of cottage and village industries, taking into consideration the raw materials available, the reasons for the decay of cottage industries and suggest ways and means by which the proceeds of production may be improved ;
- (b) the problem of marketing and financing ;
- (c) investigation of competition from centralised and foreign products, and from substitutes that have replaced products of cottage industries ;
- (d) noting the change in demand and suggesting methods for improvement in quality and design ;
- (e) measures to be suggested for the promotion and revival of these industries ;
- (f) the incidence of taxation on these industries ;
- (g) ways and means for standardising and regulating prices ;
- (h) definition of cottage industry ;
- (i) how many of these ought to be protected from factory competition ?
- (j) in respect of those that are working for wages in such concerns, what are the conditions of work and wages and how do these compare with those prevailing in other employments in the area? Are "children" and women employed ?

II|2. *Power and Fuel.*

This Sub-Committee is required :—

- (a) to make general survey of the present state of power supply from all sources ;
- (b) to obtain information about the cost of production, of power under different headings and of the rates charged for each kind of power supply ;
- (c) to survey the potential resources of generation of power (from water, steam, oil, wood, industrial alcohol and other sources) ;
- (d) to recommend measures for development of cheap and abundant power supply for the work contemplated by the National Planning Committee.
- (e) to examine the present state of the law in regard to electric undertakings and suggest amendments, if necessary.

II|3. *Chemicals.*

This Sub-Committee is required :—

- (a) to make a census of chemicals including fertilisers, produced in India and imported from abroad ;
- (b) to survey the potentialities for the manufacture of chemicals in India ;
- (c) to form an estimate of the country's requirements in chemicals on a progressive scale for the next ten years ;
- (d) to recommend ways and means for developing chemical industries in order to supply the nation's requirements in the next ten years ;
- (e) to recommend such legislation or special concessions as may be necessary for the encouragement and development of these industries ;
- (f) to review the possibility of export trade in chemicals for the manufacture of which India possesses special advantages.

II|4. *Mining and Metallurgy.*

This Sub-Committee deals with :—

- (a) the present mineral production of India ;
- (b) the future possibilities ;
- (c) classification of the mineral resources essential for national defence and non-essential, and recommend the appropriate policy for each ;

- (d) present position of laws of mineral exploitation, and modification of them to suit our goal ;
- (e) present position of metallurgical industry, ferrous and non-ferrous ;
- (f) national policy for use of metals in our industries looking into our national resources ;
- (g) best position of locating these industries and ways and means of developing them ;
- (b) national policy re : import of minerals needed for national defence.

11|5. *Engineering Industries & Transport Industries.*

This Sub-Committee is required :—

- (a) to make a general survey of the present annual imports of machines, machine tools and instruments and prime movers etc.
- (b) to examine the present state of production in India of above ;
- (c) to find out what will be the country's requirements, of machines, machine tools and prime movers, including automobiles, locomotives, wagons, ships, aircraft, and their parts and accessories during the next ten years with due regard to the relative urgency in different cases ;
- (d) to recommend measures which should be taken to manufacture in the country India's requirements under (c) above.

11|6. *Manufacturing Industries.*

This Sub-Committee deals with :

the general terms of reference and terms of reference under the group 'Industries'. This Sub-Committee may elaborate its own scope of inquiry.

11|7. *Industries Connected with Public Services.*

This Sub-Committee deals with :

the general terms of reference and terms of reference under the group 'Industries'. This Sub-Committee may elaborate its own scope of inquiry.

III. DEMOGRAPHIC RELATIONS.

1. Labour (other than agricultural) and unemployment, and efficiency of labour and labour policy.
2. Population.

III|1. *Labour.*

This Sub-Committee deals with :

- (a) Labour other than agricultural labour, including the problem of unemployment ;
- (b) the general policy relating to labour, with special reference to the terms and conditions of employment, rationalisation of output and efficiency, rates of wages, methods of wage determination, hours and conditions of work in factories, mines, workshops, plantations, railways and transport services, docks, etc. ;
- (c) insurance against sickness, industrial accidents, old age, maternity, unemployment, and other contingencies of industrial life ;
- (d) the problem of employment of women and children ;
- (e) measures and legislation for the safety of workers in mines, factories, workshops, plantations etc. ;
- (f) adequate provision for their housing, health and sanitation ;
- (g) organization of labour ;
- (h) provision of apprenticeships for industrial workers ;
- (i) other incidents of industrial life, e.g. strike, lock-outs, and labour disputes in general, and the ways and means (including legislation) of settling them by conciliation or arbitration.

III|2. *Population.*

This Sub-Committee deals with|:

- (a) population, including the problem of numbers and quality of population,
- (b) correlation of population with means of subsistence,
- (c) remedial measures, against over population, e.g. migration within the country and emigration beyond the frontiers, including the desirability thereof,
- (d) legislation or customs regarding age of marriage,
- (e) re-distribution of population within the country and outside the country, by negotiations,
- (f) other questions affecting the numbers, quality, and distribution of population and the rate of its growth.

IV. COMMERCE AND FINANCE.

1. Trade (inland and foreign).
2. Industrial finance.

3. Public Finance.
4. Currency and Banking
5. Insurance.

IV|1. *Trade.*

- (a) Trade—local, inter-provincial, inter-regional and international ;
- (b) the nature, volume and character of our domestic and foreign trade ;
- (c) the treaties which have hitherto regulated any part of trade with other countries ;
- (d) India's balance of international payments ;
- (e) means of regulating and developing such trade so as to minister most effectively to the national prosperity, by means of bilated trade agreements, and advancement of the cause of Indian traders settled in foreign countries ;
- (g) organised warehousing facilities.

IV|2. *Industrial Finance.*

This Sub-Committee deals with :

- (a) financing of industries, large, medium, small or cottage, in the different parts of the country, with special reference to the devices or institutions such as industrial bank and co-operative credit societies ;
- (b) attracting foreign capital and its regulation ;

N. B.—Financing includes both working capital and fixed capital.

IV|3. *Public Finance.*

This Sub-Committee deals with :

- (a) the present and prospective scale of expenditure by national as well as provincial and local governments and of the several states,
- (b) their sources of income through taxation, and income from public domain, public enterprise, and other receipts,
- (c) incidence of these burdens,
- (d) development of new sources of public income with a view to aiding the process of planned development and effecting re-distribution of national wealth. The Sub-Committee will suggest the maintenance and development Budget for each State and Province to assist effective carrying out of the Plan including the utilisation of Public Credit.

IV|4. *Currency and Banking.*

This Sub-Committee deals with :

- (a) banking and currency, including all forms of legal-tender money as well as deposit currency.
- (b) the credit system of the country in general,
- (c) regulation and control of foreign exchanges,
- (d) regulation and control of the country's metallic reserves and other valuta for the service of foreign exchange,
- (e) the various types of banking including central banks, industrial banks and commercial banks, co-operative banks, land mortgage banks, postal banking, etc.,
- (f) ways and means of mobilising capital within the country and conserving the same for effective employment in the service of the country's agriculture and industry,
- (g) saving and investment habits, and
- (h) measures for linking up rural credit with the capital market.

IV|5. *Insurance.*

This Sub-Committee deals with :

insurance including Life, Accident, Fire, Marine and General.

N. B.—Industrial and Agricultural Insurance has been entrusted to separate Sub-Committees.

V. TRANSPORT.

1. Transport services : Railways, Roads, Rivers, Coastal and Overseas Transport and Air.
2. Communications : Telegraph, Telephone and Radio.

V|1. *Transport Services.*

This Sub-Committee deals with :

- (a) all forms of transport by road, rail, riverways, coastal and overseas shipping as well as by air ;
- (b) their rates, fares or freight charges, with due regard to the development of industries and inland trade ;
- (c) the extension, improvement and increase of these facilities, with special reference to the construction of roads so as to link villages with markets and sub-divisional headquarters throughout the year ;
- (d) co-ordination of road, rail and river traffic.

V|2. *Communications, Service and Industry.*

This Sub-Committee deals with :

- (a) the organisation of Communications, including the postal service, telegraphs and telephones, as well as radio ;
- (b) industries concerned with the manufacture, and connected with providing, of instruments and apparatus needed for telegraphs, telephones and radio and their parts and accessories ;
- (c) encouragement of tourist traffic including hotels, travel agencies and banking facilities.

VI. PUBLIC WELFARE

- 1. National Housing.
- 2. National Health.

VI|1. *National Housing Committee.*

This Sub-Committee deals with :

- (a) the provision of materials—brick, stone, cement, lime, wood, steel, glass, etc., needed for house-building of all kinds, and specialised labour needed.
- (b) prescribing of standards of housing accommodation for rural and urban areas, with due regard to climate, situation, kind of need to be met, with suitable provision of air, light, water, sanitary equipment and labour saving devices.
- (c) consideration of the problem of Town Planning, and the ways and means of relieving congestion of population, with the consequent adequate provision of transport, communications and recreational facilities.
- (d) agency, national, provincial, local or private, to provide housing.
- (e) any other questions connected therewith.

VI|2. *National Health.*

This Sub-Committee deals with :

- (a) prescribing standards of dietary and nutrition for all classes of population ;
- (b) consideration of the nature and incidence of the various epidemics, which take a heavy toll of life, and suggestion of ways and means for guarding against these scourges ;
- (c) investigation into the volume and causes of infant mortality, as well

as mortality among women and suggestion of ways and means of reducing such mortality ;

- (d) provision of the necessary health units, comprising physicians, nurses, surgeons, hospitals and dispensaries, sanatoria and nursing homes ;
- (e) health insurance ;
- (f) medical training and research ;
- (g) compilation of Vital Statistics, including those of birth and death rates ;
- (h) cultivation of the necessary drugs and production of medicines to provide the necessary preventive or curative aid and scientific surgical appliances and accessories of the National Health Services ;
- (i) any other connected therewith.

VII. EDUCATION.

1. General Education—to collate the work of the Wardha Committee and of the Expert Committee appointed in the provinces, mobilisation of labour for social service.
2. Technical education, both industrial and agricultural and Developmental Research.

VII|1. *The General Education Sub-Committee*

deals with :—

- (a) general education of the entire nation in all stages and branches. In this connection, work has already been done by several provincial and national committees specially appointed for the purpose and the results produced by these would need to be collated and a general policy framed for educating the entire nation ;
- (b) the problem of adult education ;
- (c) terms and conditions of employment of teachers ;
- (d) mobilisation of labour for social service.

VII|2. *Technical education, Agricultural, Industrial and Commercial And Developmental Research.*

This Sub-Committee is required :—

- (a) to review the activities of the existing institutions and find out how far the present equipment in men and apparatus are sufficient in turning out men of the engineer foreman and skilled worker class

necessary for the industrial and agricultural work at present existing in the country ;

- (b) to find out what improvements are necessary in the existing institutions, and what further training institutions need be started for turning out technicians of different classes to undertake the developmental work contemplated by the National Planning Committee.
- (c) to survey the scope of activities of existing research institutions where researches in agricultural industry are carried out with a view to developing the country's wealth ;
- (d) to co-ordinate training in technical and research institutions with works' experience ;
- (e) to consider the necessity of starting an All India Board of Industrial and Scientific Researches and to recommend a constitution for it ;
- (f) to direct the Stores purchase policy of the Government and of the major industries so as to secure facilities for expert practical training abroad of apprentices and technicians ;
- (g) to prepare a scheme of State technical scholarship in relation to specific developmental programmes to be undertaken.

VIII. *Woman's Role in Planned Economy .*

This Sub-Committee deals with :—

the place of woman in the planned economy of India, including consideration of her social, economic and legal status, her right to hold property, carry on any trade, profession or occupation, and remove all the obstacles or handicaps in the way of realising an equal status and opportunity for woman.

In particular it will confine itself with :—

- (a) the family life and organisation, and woman's employment in the house, and the change therein in recent years ;
- (b) marriage and succession and the laws governing these ;
- (c) the conditions of industrial employment of women and the protection of working women in mines, factories, plantations, workshops and cottage industries, as well as in domestic employment and retail trade ;
- (d) social customs and institutions which preclude woman from taking her full share in India's planned economy ;
- (e) the types and methods of appropriate education to play her due role in household work, in the profession and in social and national services ;
- (f) any other questions connected therewith.

LIST OF COTTAGE INDUSTRIES

1. Textile (silk, wool and cotton) ; cotton spinning and weaving especially up to 30s.
2. Dyeing and Calico Printing.
3. Cotton ginning and cleaning for handspinning except pressing.
4. Oil-crushing.
5. Soap and Toilet articles.
6. Furniture and timber works.
7. Paper for use as stationery, (except paper for news-papers, art printing, for wrapping and packing etc. etc.)
8. Sugar.
9. Rice husking and milling.
10. Brass, Copper and Silverware.
11. Tallow, Guts and glue.
12. Tanning and shoe-making.
13. Pottery and ceramics phials.
14. Glass bangles.
15. Beads.
16. Polishes, paints and varnishes.
17. Locksmithy.
18. Nails.
19. Blacksmithy.
20. Cutlery.
21. Hemp, Coir and jute.
22. Bristles and fibres.
23. Bricks.
24. Tiles.
25. Gold and silver threads.
26. Salt.
27. Toys.
28. Umbrella.
29. Gums.
30. Resins.
31. Matches.
32. Carts.
33. Country crafts.
34. Tailoring.
35. Embroidery.
36. Hosiery.
37. Buttons.
38. Carpets.

39. Confectionery.
40. Fruit preserves and syrups.
41. Dairying.

The above list of cottage industries is not intended to be a comprehensive one. There are, as is well known, many hundreds of cottage industries. This list was prepared tentatively with a view to mentioning some industries which are or may be both cottage and large-scale, and where there might be a conflict or overlapping between these two methods of production. No decisions were taken on the list. It was resolved to forward it to the sub-committees concerned for their consideration.

LIST OF DEFENCE INDUSTRIES, KEY INDUSTRIES AND PUBLIC UTILITIES.

Defence Industries

1. Fire arms (land, air and marine) and their parts.
2. Munitions, cartridges, explosives, shells, torpedoes, etc.
3. Tanks and armoured cars and other forms of mechanical equipment especially designed for military purposes.
4. Warships of all types including submarines.
5. Military Air-craft of all kinds.
6. Gases for warfare and gas-masks.

Note : Warships and military air-craft can also be made in ordinary peace time establishments.

Key Industries.

1. Power—Hydro and thermal (generator).
2. Fuel, coal and fuel wood, mineral oil, power alcohol, natural gases.
3. Metals, ferrous and important non-ferrous, including winning of ore for them.
4. Industries for the making of machine tools.
5. Industries for the making of machinery and machinery parts.
6. Heavy engineering industries for the building of ships, locomotives, waggons, automobiles, air-craft and the like (*vital*).
(standards).
8. Chemicals, heavy chemicals, fine chemicals including dyes (*some vital*), fertilisers and refractories.

Public Utilities.

1. Distribution of electricity, gas and other forms of energy.
2. Public transport and communication services.
3. Water supply.
4. Sanitation.

Banking and Insurance were reserved for consideration later.

The above list is a tentative one which might be added to or varied in future. It was resolved to forward it to the sub-committees concerned for their consideration.

NATIONAL PLANNING COMMITTEE.

Note for Provincial and State Governments.

1. The National Planning Committee have just concluded their second series of meetings lasting two weeks. As the Committee surveyed the full extent of the problem of National Planning, the subjects they had to deal with grew in number, as each was inter-related to the other, and none could be wholly ignored if a full scheme of Planning was to be drawn up in order to investigate these separate subjects and branches of national activity more fully, and later to endeavour to co-ordinate them, a large number of sub-committees have been set up. These sub-committees consist of experts and public men including representatives of Governments and States.

2. The Committee have had the advantage of receiving the full co-operation of most of the Provincial Governments and several important States. During the sessions just concluded, the Ministers of Industries of Bombay, Madras and Bihar, as well as special representatives from several Provincial Governments, attended and took part in the Committee's deliberations. Representatives from the States of Hyderabad, Mysore, Baroda and Bhopal also participated and helped the Committee with their advice. The Punjab Government sent answers to the Committee's questionnaires and have promised their full co-operation in future. The Bengal Government have so far not sent an answer to the invitation sent to them seeking their co-operation, but it is hoped that they will agree to co-operate with the Committee's work. It is hoped also that many more States will join in this work, notably Kashmir, Travancore, Cochin and Patiala, whose resources enable them to take an effective part in the development of their own and the national wealth. Travancore and Cochin have already promised their co-operation. In the drawing up of a National Plan, it is important that the needs and capacities of all provinces and States should be considered, in order to avoid a lop-sided development which might be unfair to a Province or a State. The presence of the representatives of all the Provinces and of the principal States is thus necessary so that no interests are ignored or overlooked and a proper equilibrium is established.

3. The co-operation of the Government of India and their experts is also very necessary, both in order to obtain all the available information and data, as well as to have the benefit of their advice and suggestions.

4. The sub-committees appointed by the National Planning Committee contain the names of a considerable number of officials of the Government of India, the Provincial Governments and the States. These official members can only join the sub-committees with the permission of their respective Governments. We hope that this permission will be readily given. We realise that high officials are busy men and cannot easily be spared for any length of time. It is not intended to take too much of their time and every attempt will be made to have the meetings of the sub-committee concerned at such place or time as to suit them. Even if they cannot always attend, their general guidance will be helpful.

5. Many Provincial Governments and States have recently had their own enquiries and have drawn up their own programmes or plans of development. All such as have done so are requested to send these plans to the Office of the National Planning Committee in Bombay, so that the Committee might try to fit these plans in so far as is possible, with the general scheme. It is important that no Provincial or State view-point is ignored. In the case of Provinces and States where no such enquiry has so far taken place we would suggest that steps might now be taken to have an inquiry and to collect materials and information for planning.

6. The National Planning Committee will gladly give all the assistance in their power to Provinces or States who institute such enquiries. Where desired special investigators can be sent.

7. Many Provincial Governments and States have also recently passed or initiated legislation relating to land and agriculture, industries, social services, and like subjects. The Committee will be grateful if all such legislation, whether proposed or already passed is sent to them by the Governments concerned.

8. It would greatly facilitate the work both of the National Planning Committee and the Provincial Governments and the States concerned, if each Government appointed a special officer to keep in touch with the Planning Committee, to gather the information required for the purposes of planning, and to keep the Committee informed of his Government's view-point and activities. Such an Officer would lighten the burden of the various Government Departments concerned and would save the time of the Governments and the Committee. It is not suggested that he should leave his Province or State except perhaps for an occasional visit. He should ordinarily remain at the headquarters of his Government. The General Secretary of the National Planning Committee or other representative could visit the headquarters of the Province or State and confer with such officer and suggest to him the type of information required. This direct

and personal contact would be of great help to all concerned and would enable us to avoid needless delay. Such a special officer need only be appointed for six months for the present.

9. The National Planning Committee have suggested to the Government of India and the Provincial and State Governments that the forthcoming Census in 1941 might be utilised in so far as is possible, for the collection of additional information for their purposes of planning. A detailed recommendation to this effect will follow. This additional information will not be available for the use of the Committee but it will be of the greatest use for the future development of planning to all Governments concerned. The Census operations offer an opportunity when this might be done without great additional expense. To endeavour to collect this information later separately will involve the setting up of a new organisation at vast expense. An attempt should also be made to follow international standards in the collection of information through the Census and other means. This enables us to fit in this information in international charts and tables.

10. The scope of the work of the National Committee is great and will inevitably involve considerable expenditure. We propose to do it as economically as possible but we do not want the work to suffer for lack of funds. A Budget of expenditure for the next six months ending 31st December 1939 amounting to Rs. 50,000|-, has been sanctioned by the Committee. This sum has to be collected from contributions from Provincial Governments and States. Some of these have already contributed generously to our funds and we hope that there will be no difficulty in getting the full sum required. The work that the Planning Committee is doing, whatever it may ultimately lead to, will in any event be of veyr great help to all the Provincial and State Governments.

11. The Committee proposes to pay the travelling expenses of its members as well as the members of its sub-committees, such expenses not exceeding second class railway fares. In the case of Government or State representatives on the Committee or the sub-committees it is hoped and expected that the Provincial or State Government concerned will pay the travelling expenses.

12. The Committee have their office and headquarters in Bombay and Prof. K. T. Shah, the Honorary General Secretary of the Committee is in charge of the Office and organisation. Our Office will gladly give every assistance in its power to Provincial and State Governments in the work of planning. The General Secretary will also endeavour to meet the wishes of any Government if they desire him to visit their headquarters to discuss the work of the National Planning Committee.

13. It is proposed to issue soon, on behalf of the National Planning Com-

mittee a book containing full information about the Committee and their work. This book will be sent to Provincial and State Governments and to all members of sub-committees.

JAWAHARLAL NEHRU,

Chairman.

June 20, 1939.

ACCOUNT OF THE ACTIVITIES OF THE NATIONAL PLANNING COMMITTEES FROM THE END OF ITS SECOND SESSIONS IN JUNE, 1939 TILL THE END OF ITS THIRD SESSIONS IN MAY, 1940.

1. After the meetings of the National Planning Committee, which ended on the 17th June 1939, the Chairman addressed letters to the Governments of the various Provinces and States, as well as to the Government of India, who, it was hoped, would co-operate with the work of the National Planning Committee, informing them about the arrangements made for carrying out the work entrusted to the National Planning Committee.

(*Vide pp. 103-105, Handbook No. 1.*)

2. The task was expected to be a very onerous one, and likely to continue for a period of at least six months, for which the following Budget was prepared by the Committee, assuming that the organisation would be run on the most economic lines :

Budgeted receipts from contributions by Provincial and State Governments during six months July-December 1939	Rs. 53,500 -
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Budgeted expenditure during the same period	Rs. 49,590 -
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(For details, see p. 70, of Handbook No. 1.)

3. In addition, Rs. 7,000 were received from some Provincial Governments between January 1939 and June 1939 to meet the preliminary expenses during that period. Rs. 4,500 was spent out of this amount upto the end of June 1939. Owing to the magnitude of the task, as well as because of the intervention of the War, and the consequent dislocation of work, the time factor originally allowed had inevitably to be considerably extended. The resignation of the Governments in many of the Provinces also tended in the same direction. Nevertheless, as the accounts given at the end of this booklet show, the work has been conducted with the utmost economy, so that a Budget made for six months has sufficed for twice that period, even though the amounts actually received by way of contributions from the several Provinces and States from July 1939 have been Rs. 35,500 as against the anticipated amount of Rs. 53,300, as mentioned above.

4. When the National Planning Committee met in June 1939, only the following Governments had promised to co-operate, or send their representatives to attend the meetings of the Committee.

Provincial Governments

Madras,
Bihar,
Bombay,
United Provinces,
Central Provinces,
Assam,
N.-W. F. Province,
Sind,
Orissa.

States

Hyderabad,
Mysore,
Baroda,
Bhopal,
Travancore,
Cochin,
Aundh,
Khairpur,
Cambay.

Since that time, however, the Governments of the Punjab, as well as Bengal, have agreed to co-operate and make their contributions, both by way of direct payment, as well as indirectly by agreeing to bear the travelling expenses of their various officers permitted to serve as Chairmen, Secretaries, or Members of the several sub-Committee. From each of the major Provinces a contribution of Rs. 5,000/- was budgeted, and many of them, including Bengal, have paid it already.

5. The Punjab Government, it may be mentioned, have, in pursuance of the suggestion made by the Chairman of the National Planning Committee in his Note to the Government dated the 20th June 1939 (*Vide* pages 103-105, Handbook No. 1), invited Mr. K. T. Shah to draw up a Plan for the industrialisation of that province. If such a Plan were prepared for each unit, the task of the National Planning Committee would be considerably simplified and facilitated.

6. The Office of the National Planning Committee was organised and placed on a regular footing, under general instructions from the Chairman. In accordance with the decisions of the Committee, Mr. K. T. Shah was placed in charge of the Office as Honorary General Secretary, and three Joint Secretaries were appointed to assist him in the task. One of these, Mr. H. V. Kamath, had been conducting the work of the National Planning Committee since January 1939; he, however, resigned his Office in June 1939. Mr. Guha, another of the Joint Secretaries, retired on the 30th of April 1940, because of his being appointed Director of Industries in the Central Provinces and Berar. Neither of these posts have been filled in by fresh appointments, mainly for reasons of economy.

7. The National Planning Committee had, as mentioned in the booklet issued last, appointed twenty-nine sub-committees for carrying out the various facets of the work involved in national planning. In addition to these twenty-nine sub-committees, the National Planning Committee had also appointed two more sub-committees, one on Census and Statistics, and the other on Publicity. Owing to the absence, however, of the Census Commissioner to the Government of India on leave out of India, the work of the Census and Statistics Sub-Committee was, under competent advice not deemed so urgent as to proceed immediately. This sub-committee has not, therefore, been very active, though some memoranda on the reference made to it have been prepared. The opening address of the Chairman at the sessions of the National Planning Committee, on the 1st May 1940, makes specific mention of the Notes sent to him by Prof. Mahalanobis, Secretary, Indian Statistical Institute, in regard to proper statistical organisation needed in careful planning. It is to be hoped that the establishment of a Bureau of Statistics will be given a prominent place amongst the recommendations of the National Planning Committee.

8. The names and addresses of the Chairmen, Secretaries, and Members of the various Sub-Committees could not be incorporated in the previous Handbook, as acceptances had not been received from most of the Members in time. Some of them could not accept, while some additional Members had to be co-opted to several sub-committees. A printed list of the names and addresses when all acceptances had been received was sent to all the Members of the National Planning Committee, and of the various sub-committees, in July last. Several changes have taken place since then ; and up-to-date list is appended herein. (See pages 85-103).

9. The following Members have resigned from the National Planning Committee :—

Shri J. C. Kumarappa,

Sir M. Visvesvaraya,

and the following additional Members have been co-opted :—

Rani Lakshmibai Rajwade (to represent Women)

Shrimati Vijayalakshmi Pandit (to represent Women)

Mr. Abdul Rahman Sidiqi (representing the Bengal Government)

Shri Gulzari Lal Nanda.

10. A meeting of the Chairmen and Secretaries of the various Sub-Committees was held at Bombay on the 14th July 1939, to discuss the procedure, etc. to be followed by the Sub-Committees. Another meeting of those Chairmen and Secretaries, who could not attend the July meeting in Bombay, was held at Allahabad on the 13th of August 1939, for the same purpose. The work of these meetings is summarised on pages 5-9.

11. The Chairman of the National Planning Committee, Pandit Jawaharlal Nehru, was absent from India on a visit to China, from the latter part of August. While he was away, the European war broke out ; and the work of the National Planning Committee was, as already noted, made considerably more difficult than had been anticipated by the events which followed. The Chairman returned to India in September, and steps were taken to deal with the situation, so far as the National Planning Committee was concerned, as indicated in his letter dated the 26th October 1939. (See pp. 10-13).

12. In the meanwhile, the Sub-Committees which had been organised had begun their work, and have made progress as the tabular statement appended to this booklet shows (see pages 79-83). In each case, however, it was felt from the very start that the time assigned for completing the work entrusted to the sub-committee was utterly inadequate ; and request was, therefore, made to extend it. In accordance with this request, the Chairman extended the limit, first up to the end of November 1939, or, at the latest, December, 1939, for the preliminary report, and the end of January, 1940, or, at the latest, the end of February for the final, and subsequently up to the end of March, 1940.

13. Despite all these extensions, however, several Sub-Committees had not completed even their preliminary labours for presenting an interim report by the time the National Planning Committee met on the 1st of May 1940. The tabular statement, already referred to, appended to this booklet, shows the progress of the work done by the various sub-committees upto the end of the 3rd sessions of the National Planning Committee, on May 15, 1940. (See pages 79-83).

14. The third meeting of the Chairmen and Secretaries of the Sub-Committees was called on the 12th February, 1940, to consider certain specific issues raised in connection with the reference made to them by the Sub-Committee on Manufacturing Industries. (See pages 16-19.)

15. The work done by the National Planning Committee, during its sittings from May 1, to May 14, is summarised on pp. 37-68. Before the Committee ended its sittings, it was decided to call the next sessions of the Committee on the 21st June, 1940, and the days following, to consider the Reports, interim or final, which had not been considered at the sittings held in May, 1940, or which might be submitted subsequently.

PROCEEDINGS OF THE MEETING OF THE CHAIRMEN AND
SECRETARIES OF THE SUB-COMMITTEES, HELD AT BOMBAY
ON THE 14TH JULY, 1939, AS CONTAINED IN THE CHAIR-
MAN'S LETTER DATED THE 14TH JULY 1939, ADDRES-
SED TO THE MEMBERS OF THE NATIONAL
PLANNING COMMITTEE

Old Custom House,
Bombay, July 14, 1939.

To all the Members of the National Planning Committee.

Dear Friend,

I have been in Bombay for two days and have put myself in touch with the work of the Office of the National Planning Committee. To-day a meeting was held of those Chairmen and Secretaries of Sub-Committees who live in Bombay or in the neighbourhood. We all met at the Secretariat and discussed the future work. Many of those present were non-members of the National Planning Committee and were not fully acquainted yet with what we had done. The little red book of the National Planning Committee was given to them and some discussions took place with a view to elucidate many problems.

As it was considered necessary for the sub-committees to keep in touch with the Central Office as well as to some extent with each other, it was decided that the minutes of each meeting of the sub-committee should be forwarded to the central office who would communicate it to other sub-committees. Further, in order to help a co-ordinated scheme being evolved it was decided that each sub-committee should supply a brief report of the lines of their work within two months to the Central Office. This brief report is to be sent to all sub-committees so that they might know how the general work was likely to proceed. It is understood that this report will be brief and general and liable to change later on.

It was also agreed that joint meetings of connected sub-committees should take place whenever necessary.

You will remember that the National Planning Committee decided that a meeting of all Chairmen and Secretaries of sub-committees should take place in the third week of July. It appears that such meeting will not be easily feasible. It is probably more convenient to have more than one meeting in different areas. We have had a meeting in Bombay which comprised a large number of Chairmen and Secretaries of sub-committees. It is now proposed to hold another such meeting in Allahabad on August 3rd. Allahabad will be a suitable centre for North India and Bengal. I hope this is found convenient by the Chairmen and

Secretaries in Calcutta and elsewhere. A formal notice to this effect will be issued soon from the Office. It is not necessary for Members or Chairmen or Secretaries of sub-committees in Western or Southern India to attend this meeting, though if any of them desires to come he will be welcome. It is hoped, however, that the Ministers of Industries or their representatives of Bengal, U. P., Bihar, Punjab and Orissa will be able to attend. Probably the meeting will not last more than a day or two.

I am sorry that there has been some delay in announcing the personnel of sub-committees. This delay has been due to the non-receipt of answers of many of the persons concerned. So far as the Chairmen and Secretaries are concerned a large number of them have agreed. We have not had answers from eight of them. Eight have been unable to accept owing to their absence from India, ill-health or other causes. These eight are Sir A. R. Dalal, Lt.-Col. Chopra, Shri G. D. Birla, Mr. P. D. Advani, Mr. Adarkar, Mr. M. S. Patel and Mr. Jabir Ali. Sir C. V. Raman is also doubtful if he will be able to do the work. We are requesting these gentlemen again to re-consider their decision wherever possible, but some of them cannot obviously accept as they are leaving India. It is necessary to fill their place immediately. To refer the matter to the Members of the National Planning Committee will delay matters. I consulted a number of Bombay Members of the National Planning Committee to-day on the subject and they agreed that I should nominate new Chairmen and Secretaries wherever necessary. I hope you agree to this proposal. I shall act accordingly and you will be informed of the new selections.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman.

PROCEEDINGS OF THE MEETING OF THE CHAIRMEN AND SECRETARIES OF THE VARIOUS SUB-COMMITTEES, HELD AT ALLAHABAD ON 13TH AUGUST 1939, AT 11 A.M.

A meeting of the Chairmen and Secretaries of the various sub-committees was held at the Senate House, Allahabad, on 13th August 1939 at 11 a.m.

The following members were present :

Pandit Jawaharlal Nehru (Chairman),
Prof. J. N. Mukherji,
The Hon'ble Mrs. Vijayalakshmi Pandit,
Shri M. K. Ghosh,
Shri S. K. Mitra,
Dr. M. N. Saha,

Dr. V. S. Dubey,
 Prof. S. P. Agharkar,
 Dr. Bholanath Singh,
 Dr. Radha Kamal Mukherji,
 Dr. Sudhir Sen,
 Dr. B. C. Guha,
 Shri A. K. Shaha,
 Shri S. K. Kripalani,
 Shri E. W. Aryanayakam,
 Shri S. C. Das Gupta,
 Dr. Tara Chand,
 The Hon'ble Mr. K. N. Katju,
 Prof. K. T. Shah, (Hon. Gen. Secretary),
 Dr. C. A. Mehta, and
 Prof. Gyan Chand.

Pandit Jawaharlal Nehru was in the chair.

1. The Chairman opened the meeting by explaining the objects of the National Planning Committee. He stated that we should aim at an ideal plan, forgetting for the moment the present restrictions imposed by foreign authorities and large vested interests. But, at the same time, he continued, we must make concrete suggestions, bearing in mind the present perspective. These suggestions, however, should not come in the way of the ultimate plan, but should go to bring about a gradual realisation of that aim. It was not possible to submit a detailed plan, as it required considerable investigation and collection of new data. We have to work on the existing data more or less, and produce a scheme which should embody the whole of India. Planning pre-supposes control. In this respect, we should bear in mind the policy of the Congress as embodied in the various resolutions of the Indian National Congress.

The Chairman further stated that there had been considerable discussion on the question of Congress policy towards cottage industries. But he felt that there was no inherent conflict between large scale and cottage industries. There may be some conflict in case of particular cottage industries. There may be some conflict in case of particular industries.

The Chairman regretted Hon'ble Dr. Syed Mahmud's absence due to serious illness.

2. The General Secretary gave a brief review of the work done at the various informal meetings of the sub-committees in Bombay. He described the procedure hitherto followed and suggested that the same procedure should be followed in case of other sub-committees.

3. It was agreed that the minutes of each sub-committee meeting should be circulated amongst the other sub-committees through the central office.

4. It was also decided that each sub-committee should send a brief preliminary report of their method of work and the objectives that they were aiming at by the end of September. This brief report was to be circulated to all the sub-committees for their information. This report was not to be an abstract of the future report, but an indication of the general outlook, objectives and methods of work. It was, however, not to be considered as binding.

5. It was further decided that sub-committees dealing with allied subjects should hold joint meetings whenever required.

6. The sub-committees were requested that the final report should have an abstract of the same attached to it.

7. The office was requested to send a list of Chairmen and Secretaries to the Government of India, with a request to supply information to these persons whenever requested by any of them.

8. The Secretaries of the various sub-committees were requested to arrange the meetings of their sub-committees as convenient to them. They were, however, requested to inform the Central Office the time, place and date fixed for the meeting.

9. After general discussion the meeting adjourned for lunch at 12-45 p.m.

The members met again at 2-15 p.m.

10. The Hon'ble Dr. Katju addressed the meeting. He drew the attention of the meeting to the resolution passed at the Ministers' Conference at Delhi and suggested that though he personally welcomed the enlargement of the scope of work by the Planning Committee, he was anxious that the Planning Committee should give its earnest and immediate attention to the six industries enumerated in the second resolution of the Ministers' Conference. After general discussion it was felt that the Planning Committee had rightly enlarged its scope, because it was impossible to push ahead without some idea of a general plan. It was however agreed that the planning committee should take as short a time as possible in preparing its report.

11. The various chairmen and secretaries present raised particular difficulties concerned with their sub-committees. Prof. J. N. Mukherji, Prof. Gyan Chand, Dr. S. K. Mitra, Dr. V. S. Dubey, Dr. Sudhir Sen, Dr. R. K. Mukherji, Shri Aryanayakam, Shri S. C. Gupta and others took part in the discussion.

12. The meeting adjourned at 5-30 p.m.

JOINT LETTER ISSUED BY THE CHAIRMAN AND THE HONORARY
GENERAL SECRETARY TO THE MEMBERS OF THE NATIONAL
PLANNING COMMITTEE AND THE CHAIRMEN AND
SECRETARIES OF THE SUB-COMMITTEES, DATED THE
26TH OCTOBER, 1939

THE NATIONAL PLANNING COMMITTEE

Old Custom House,
Bombay, 26-10-1939.

To,

The Chairmen and Secretaries of Sub-Committees.

Dear Colleague,

We enclose a copy of a letter which we have sent to the members of the National Planning Committee, so that you might be kept informed of the present position and of possible developments.

You will notice that the present activities of the National Planning Committee consist chiefly of the work of the sub-committees and this must be carried on with intensity. In order to give your full attention for this work to be done with thoroughness, we have extended the time for your report.

We would beg of you to economise to the fullest possible extent in the work of the sub-committees. We do not, however, wish that the work should suffer in any way because of this. Much of the work could be carried on by correspondence.

Yours sincerely,
JAWAHARLAL NEHRU,
Chairman.

K. T. SHAH,
Hon. Gen. Secretary.

JOINT LETTER ISSUED BY THE CHAIRMAN AND THE HONORARY
GENERAL SECRETARY TO THE MEMBERS OF THE NATIONAL
PLANNING COMMITTEE AND THE CHAIRMEN AND
SECRETARIES OF THE SUB-COMMITTEES, DATED THE
26TH OCTOBER, 1939

THE NATIONAL PLANNING COMMITTEE

Old Custom House,
Bombay, 26-10-1939.

To,

All the Members of the National Planning Committee.

Dear Colleague,

On the last day of the June session of the National Planning Committee it was resolved to hold the next session during the Puja holidays in the second half of October 1939. Accordingly the next meeting was fixed for the 25th October 1939 but many members expressed their inability to attend on this date. Several Ministers of Industries also informed us that the date did not suit them as they had to attend another meeting about this time. Thereupon the 24th November was fixed and notices were issued. Again protests came from some members, who found this date unsuitable. November 9th was suggested by some.

We have now considered this matter fully and we feel that no meeting of the N. P. C. need be held in the near future. This is not because of the difficulty of finding a date which is convenient to all members. That difficulty has always to be faced. But the N. P. C. if it meets soon will not be in a position to consider any report of sub-committees as no such report has been received so far or is likely to be received in the near future. The N. P. C. would thus have to discuss certain general principles without the data which is being collected. The general principles are no doubt of great importance, but it will be desirable to consider them at a later stage when we have facts before us.

Another difficulty in the way of holding a meeting of the N. P. C. soon is the uncertainty in regard to political conditions. Various Provincial Governments are expected to resign within a week or so and this will necessarily be followed by considerable changes. While these changes and developments take place many of our members will be occupied by them and will be unable to give much time to N. P. C. meetings.

We feel, therefore, that no useful purpose will be served by having a meeting

of the N. P. C. in the near future. Such a meeting involves considerable expenditure also and it is better to conserve our resources at this juncture. We hope you agree with this decision.

We cannot say now when the next meeting will be held. We shall await developments and the preliminary reports of the sub-committees and then fix the date in consultation with you. We should like to assure you that the work of the National Planning Committee will be carried on, whatever the political developments might be. This work consists now of pushing and completing the activities of the sub-committees.

We are glad to say most of the sub-committees have met and are proceeding with their work. Seven sub-committees have so far not held their meetings. Of these two—General Education and Communications—are meeting soon. Three Sub-Committees—Land Policy, Population, and Public Finance—have been formed, but have been unable to meet so far. The Technical Education Sub-Committee has not got a Chairman yet, as the Chairman who had been appointed has been unable to accept this office. The Engineering Industries Sub-Committee still lacks a Secretary.

This is the present position. Although we might have made greater progress, we have no reason to be dissatisfied with the work that has already been done. We have to push on with this. But we feel that some extension of time should be given to the sub-committees, so that they might do their work thoroughly. We suggest that they should send their preliminary reports, if possible, by November 30th 1939 and in no case later than December 31st 1939; and their final report, if possible, by January 31st 1939 and in no case later than February 28th 1940.

Our financial position demands consideration and we have to conserve our resources and economise. This is necessitated by, among other reasons, the lengthening of the period of our work. We have, as a matter of fact spent far less than the amount budgeted for. The N. P. C. passed a budget in June estimating our expenditure for the six months ending 31st December 1939 at Rs. 49,590|-, that is Rs. 8,265|- per month.

Our total expenditure up to 20th October 1939 has been Rs. 11,355-9-3. This includes salaries for June 1939 as well as capital expenditure for furniture, etc. By the end of October the total is likely to reach Rs. 13,800|-. This gives a monthly average of about Rs. 3,125|- including capital expenditure and travelling expenses. The present monthly scale is Rs. 2,700|-. It is easily possible to reduce this to Rs. 2,500|- and under stress to 2,000|-. Of course it is possible to make further reductions if this is absolutely necessary, but work will suffer to some extent then. With reasonable economy we have enough funds with us to carry us to the end of December 1939.

Definite promises have been made to us by Governments and States for additional grants amounting to Rs. 21,000|-. Under the changing circumstances we might not be able to get the full sum, but we hope to receive Rs. 15,000|-. This amount ought to be enough for the first six months of 1940 and we ought to finish our work by June 30th 1940.

We have thus no reason to fear any stoppage of work because of lack of funds. But it is clear that we cannot absolutely rely on promises and we have to economise as much as possible. We request your co-operation in this as well as the co-operation of the sub-committees.

You will agree with us, we are sure, that the essential importance of the work of the N. P. C. has grown as the months have gone by. The coming of war and the possibility of vast changes in the political, economic, industrial and social domains, both in India and elsewhere, has made planning incumbent on us, so that we might fit in with these changes and take advantage of them for the advancement and greater well-doing of the Indian people. We have been charged with a task of the greatest significance for our country and we shall persevere with it. In that endeavour we have already received the co-operation and goodwill of many interests and Governments and States and we are grateful to them. But the real burden has to be borne by the members of the N. P. C. and of the sub-committees.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman.

K. T. SHAH.
Hon. Gen. Secretary.

CHAIRMAN'S LETTER TO THE MEMBERS OF THE NATIONAL
PLANNING COMMITTEE AND TO THE CHAIRMEN AND
SECRETARIES OF THE SUB-COMMITTEES,
DATED THE 7th JANUARY, 1940.

THE NATIONAL PLANNING COMMITTEE

Council Hall Bldg., Apollo Bunder,
Bombay, 7th January, 1940

To,

Members of the National Planning Committee,

Chairmen & Secretaries of the Sub-Committees of the N. P. C.

Dear friend,

When I addressed you last I suggested that we should concentrate for the

present on the work of the sub-committees and have a meeting of the N. P. C. later, when most of these sub-committees' reports were ready. Since then good work has been done by many of these sub-committees. But I regret to find that some of these sub-committees have not made much progress yet. It is obvious that we cannot delay our general progress because of a few of the sub-committees. I had suggested that all sub-committees should report at the latest by the end of February. I suggest that this date should be kept in mind and that we should draw up our programme accordingly. At the very latest sub-committees' reports should reach the Central Office by the 15th March.

The N. P. C. can then meet in the first week of April to consider these reports and to come to decisions about the principal points which we have to consider. These decisions will then form the back-bone of the Reports of the N. P. C. itself. It is therefore suggested that at the April meeting of the N. P. C. we should go thoroughly into the subject and indicate the scope and nature of our final report, although the actual language of it can be settled later. This meeting of the N. P. C. might last from ten days to a fortnight.

Thereafter the Report should be drafted on the basis of these decisions of the N. P. C. and this draft should be circulated to Members.

Early in June the National Planning Committee should meet to consider the draft report and to pass it finally. By the end of June this Report should be ready for publication.

We must make every effort to adhere to this time table and to finish this preliminary round of our work by the end of June of this year. We cannot afford to delay our Report much longer and we cannot delay our other work because a particular sub-committee has not reported. Therefore all sub-committees should realise that their work must be completed at the latest by March 15.

When I was in Bombay last month, various important matters involving principles and vital policies regarding State control of industries, etc. were referred to me by the members of some sub-committees. We have already in the N. P. C. given some general directions on these subjects, but it is obvious that they require a closer consideration. It was pointed out to me that unless some clear instructions were given, different sub-committees might work on different lines and with differing objectives. It was suggested, therefore, that a joint meeting of the sub-committees concerned might be held for this purpose. Later it was thought that a meeting of representatives from the sub-committees, or the chairmen or secretaries would perhaps be more suitable, as a joint meetings of the full sub-committees would mean a very large gathering. It has therefore been decided to hold a meeting of the chairmen and secretaries of not only the sub-committees concerned but of all the sub-committee in Bombay on February 10th onwards. Members of the National Planning Committee who care to attend this meeting will be welcome.

The meeting will consider not only the point noted above but such other points of principle as might be raised. Of course all such decisions will have to be in conformity with the previous decisions of the N. P. C. and will be subject to subsequent ratification by the N. P. C.

I trust you will make a note of all these dates so that you can keep yourself free for these meetings. Formal notices will of course be sent to you later.

Yours sincerely,
JAWAHARLAL NEHRU.
Chairman.

PROCEEDINGS OF THE MEETING OF THE CHAIRMEN AND
SECRETARIES OF THE SUB-COMMITTEES HELD AT
BOMBAY ON THE 12TH FEBRUARY, 1940

NATIONAL PLANNING COMMITTEE

Chairman's Memorandum to all Members of the N. P. C. and
Chairmen and Secretaries of all the Sub-Committees

The Manufacturing Industries Sub-Committee made certain references involving decisions on important matters relating to the control and functioning of Industries. As these questions affected many sub-committees, it was decided to have a meeting of the Chairmen and Secretaries of all the sub-committees for the purpose. This meeting was held on February 11th in the office of the Planning Committee in Bombay. A considerable number of Chairmen and Secretaries of sub-committees, as well as several members of the National Planning Committee, were present. A questionnaire has previously been distributed to the members. There was a full discussion lasting for nearly six hours. As a result of this discussion, it was decided that I should embody the decisions in a memorandum and circulate them to all the sub-committees for their guidance.

The National Planning Committee had previously laid down certain general principles in regard to these matters. These will be found in the Red Book. I should like to draw particular attention to—

- (1) The Congress Karachi Resolution which states that "the State shall own or control Key Industries, and Services, Mineral Resources, Railways, Waterways, shipping and other means of public transport."
- (2) Page 74 of the Red Book paragraphs 12 and 13 of my memorandum dated 4th June, 1939. This memorandum was subsequently approved by the N. P. C.

(3) Page 102 of the Red Book giving a tentative list of Defence Industries, Key Industries and Public Utilities.

It will thus be seen that the National Planning Committee has already gone far in laying down the principle that Defence Industries, Key Industries and Public Utilities should be either State-owned or controlled. A discussion took place at the meeting on the 11th February as to which of these should be State-owned and the measure of control in regard to the others.

In regard to Defence Industries, it was decided that they must be owned and controlled by the State. Regarding Key Industries, the majority were of opinion that they should also be State-owned, though a substantial minority considered that State control would be sufficient. It was made clear, however, that any control of such industries must be a rigid one.

Public Utilities, it was also decided, should be owned by some organ of the State, such organ being either the Central Government, Provincial Government, or a Local Board. It was also possible to have something of the nature of the London Transport Board controlling such Public Utilities.

In regard to the other important and vital industries, which are not Key Industries, or Defence Industries, or Public Utilities, no special rule was laid down. But it was made clear that the very nature of planning required control in some measure. What this measure should be might vary with the industry in question.

As regards the agency in State-owned industries it was suggested that as a general rule, an autonomous Public Trust would be suitable, the nature of such Trust being varied in the case of different industries. Such a Trust would ensure public ownership and control, but would avoid the difficulties and inefficiency, which creep in from a democratic control. This suggestion was approved of by some members present, while others thought that no definite rule should be laid down and the sub-committees should be left free to make their own recommendations. It was also suggested that there might be co-operative ownership and control. These suggestions are being forwarded to the sub-committees for their consideration. It is open to them to make their own recommendations.

In regard to private industries aided or supported by the State, the measure of State control is likely to be greater than in unaided industries. The State may appoint directors or representatives to see that the State Policy in regard to planning is carried out. Such representatives of the State will not be supposed to interfere in the day to day administration of the Industry, but, it will be their function to see that the industry is co-ordinated with the National Planning Scheme and the general policies of the State are being carried out by the industry. Any planning will involve a close scrutiny of the development of industry in all its branches and a periodical survey of the progress made. It will mean the

training up of the technical staffs necessary for the further expansion of industry and the State may require industries to train up such staffs.

In the event of a private industry being taken over by the State, fair compensation should be paid. In calculating this compensation, a number of factors will have to be taken into consideration, so that the interests of the general public do not suffer and at the same time, the owners of the industry are not victimised. It was not thought necessary to go into any further details in regard to this matter at this stage.

As decided by the N. P. C. previously, it was made clear that in order to prevent the growth of future barriers to planning, effort should be made to avoid the establishment of new vested interests.

The relation of industries on a large-scale to village and cottage industries was also considered. The fact that the National Congress has laid great stress on the development of cottage industries, and more specially on hand-spinning and hand-weaving, was to be co-ordinated in the National Plan. It may not be possible at this stage to define accurately the scope of each but in view of the Congress policy, which may be later the State Policy, nothing should be done to erect barriers to the carrying out of such a policy. Therefore, it should be laid down that any large-scale industry, which may come into conflict with a particular cottage industry encouraged and supported by the State, should itself be controlled by the State. Such control will prevent any conflicts arising and co-ordination will be easy.

It is important to bear in mind that the outlook governing a planned scheme is different from the outlook of an unplanned private economy. It is this outlook which must be kept in view in drawing up the plan, so that all the different sections of the plan may be integral and co-ordinated parts of the full programme. Such control as may be necessary to bring this about will have to be taken by the State.

The meeting also passed the following resolution in regard to the place of women in Planned Economy:—

“In the scheme of Planned Economy, every care should be taken to secure for woman, irrespective of civil conditions, not only theoretical equality of opportunity for training and employment, but also to see that such training and particularly employment are made available to her, as the consequence of the Planned Economy and at the instance of the Planning Authority.”

In addition to what I have said above, the discussion which took place at the meeting was very helpful in throwing light on some aspects of the problems facing us, and those who were present profited by it. But, as no further decisions were made, it would not be worthwhile for me to incorporate that discussion in this memorandum.

I should like to remind you again that the time factor is most important, at the present stage of the activities of the Planning Committee. The work we have undertaken is of a vast nature and it is possible to continue it for many months and even years without exhausting it. But it is essential that we should produce our preliminary survey and report in the course of the next four months, that is, by the end of June. The presentation of this report will not, of course, end the work of planning. That will be only the beginning, the foundations, on which the structure of Planned Economy, we hope, will be built.

It is important, therefore, that all sub-committees should present their reports by the middle of March. Even if they are unable to send their final and full reports before that date, they should send as full a report as possible, following it up by an additional report later, if necessary. If the sending of a report is delayed beyond mid-March, that report may not be considered in the draft prepared for the Planning Committee's consideration. It is hoped that the full Planning Committee will meet early in April to consider these reports and to lay down the general line of their own report. The N. P. C's report will then be drafted and placed before the N. P. C. early in June. That is the present programme and we must try to adhere to it. For this, it is necessary that the Sub-committees should function according to time-table and send us their reports by mid-March. Even after sending their reports, if they have any further investigations to make, they should continue to make them and to collect material for future use.

Some sub-committees are on the eve of presenting their report, but there are many who are still somewhat behindhand. I would beg of them to expedite matters.

JAWAHARLAL NEHRU
Chairman.

12th February, 1940.

CHAIRMAN'S LETTER ADDRESSED TO THE MEMBERS OF THE
NATIONAL PLANNING COMMITTEE, DATED THE
21ST APRIL, 1940

NATIONAL PLANNING COMMITTEE

Ref. No. 2401.

Council Hall Building,
Apollo Bunder,
Bombay, April 21, 1940.

To all Members of the National Planning Committee.

Dear Friend,

As you have already been informed, a full meeting of the National Planning Committee will take place on the 1st of May, and will go on from day to

day. I cannot say how long this meeting will last, but I think it might take two weeks. I hope you will find it convenient to attend it and to remain here for the full period.

We have been postponing the holding of this meeting, as we wanted to be ready with all the reports of the sub-committees. I must apologise to you for the delay in holding this meeting, but to a large extent I have been in the hand of the sub-committees; and I did not want to trouble you to come to a meeting till there was sufficient work for you. Even now I regret to say that many sub-committees have not reported. But some have sent in full reports while some others have sent interim reports. We have, therefore, some definite and important material to consider.

In any event it was desirable for us to meet as we have not met for a long time. We have to confer together about our future policy and programme, and consider many important matters affecting them.

We are inviting the Chairmen and Secretaries of the sub-committees whose reports we are considering. They will be requested to present their reports and to explain them, as well as to answer such questions as may be put to them by members of the N. P. C. A timetable has been drawn up for the presentation of these reports, so that the time of those invited or of the N. P. C. Members should not be wasted. It may be difficult to adhere strictly to this time-table, but if general discussions are postponed till after the consideration of individual reports, we might be able to adhere to the time-table. It is proposed, therefore, to have these full general discussions after the reports have been presented.

The sub-committee Chairmen and Secretaries who are invited will only stay for their own reports. Some of these Chairmen or Secretaries are Members of the N. P. C. They will, of course, be present throughout.

I am anxious that, with your co-operation and goodwill, we should proceed with this work of the N. P. C., and bring it to a successful conclusion at as early a date as possible. That conclusion, of course, will not be a final one, but just a step in the direction of Economic Planning. Political and other conditions in the country and in the world are disturbing and may come in the way of our future work. Hence the necessity of our pushing ahead with it. This applies particularly to the sub-committees' work.

I have to inform you with deep regret of the sudden death of Mr. P. N. Mathur, the Chairman of the Engineering Industries Sub-Committee. Mr. Mathur took a deep interest in the work of the Planning Committee and devoted much time to it. He had already presented us with the report of his sub-committee and this will be before you at the next meeting of the N. P. C. On

his way back from Bombay to Jamshedpur he died suddenly in the train. His death is a severe loss to the Planning Committee.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman.

CHAIRMAN'S LETTER ADDRESSED TO THE GOVERNMENTS OF
THE PROVINCES AND THE STATES CO-OPERATING,
DATED THE 21ST APRIL, 1940

THE NATIONAL PLANNING COMMITTEE

Our ref. No. 2402.

Council Hall Building,
Apollo Bunder,
Bombay, 21st April 1940.

Dear Sir,

I have the honour to send you herewith statements of accounts of the National Planning Committee from its inception to the end of March 1940. The accounts up to the end of December have been audited and the audited statement is attached. This statement will be presented to the National Planning Committee at their next meeting beginning on May 1st, for their acceptance. But I have thought it desirable to communicate this to you, even before its formal acceptance, in order to keep you informed of the financial condition of the National Planning Committee. Your Government has been good enough to take interest and some part in the activities of the National Planning Committee, and it is our desire to keep you fully informed about them.

The National Planning Committee is meeting on May 1st to consider the reports of some of its sub-committees. All our sub-committees have not reported yet. Some have presented full reports, while some others have presented interim reports. A number of others have been unable to present any report so far. Owing to this unavoidable delay in the work of the sub-committees, the full N. P. C. could not meet earlier as intended. Even at this stage, it cannot complete its work; but it is hoped that it will go through an important part of its work and lay down general rules and policy for its future work. It is a little difficult to lay down a time-table for its future work, but it is our desire to expedite it so that at the next meeting of the N. P. C. we may be in full possession of all the sub-committees' reports and other available material to enable the N. P. C. to come to final decisions which will be incorporated in their report and recommendations.

Copies of such of the sub-committees' reports as have been received are being sent to you for your information. We are treating these reports as confidential at this stage.

When the National Planning Committee was formed, it was hoped that its preliminary work would be completed in the course of a few months and certainly within a year. But the nature and scope of that work was such that it has been impossible to finish it within that limited period. The Committee has already been in existence for a year and four months, and it may have to carry on its work for another four or five months. Considering the enormous mass of material to be dealt with, the variety of subjects touched upon, and the all-embracing character of such enquiry, the time so far taken cannot be said to be much. Usually official committees and commissions dealing with one specific branch of enquiry only take a far longer period and require much larger funds.

It is, of course, not suggested that the National Planning Committee is going to deal comprehensively and in detail with the question of National Planning in all its aspects. That will be the function of some future Planning Commission for the Nation. Our object was to explore the ground for such planning, to indicate the approach to the question, to draw the bare outlines of a Planned Economy, and generally to do the preliminary spade work which is essential before such a vast subject can be tackled effectively. We cannot presume to say how far we shall succeed even in this important preliminary work. But we hope that the work done by this Committee will be of essential significance of the Nation and will help considerably in future enquiries and schemes.

We had planned originally for a relatively short period, as we thought that the Committee should finish its labours within 8 months or a year at the most. Our budget was made with this end in view. The Provincial Governments and the Indian State Governments of Hyderabad, Mysore, Baroda and Bhopal contributed generally towards our expenses. In view of the nature of our work, we did not think it desirable to approach any private agency for funds, and we relied entirely on the financial support given to us by Provincial and State Governments. As work expanded, both in extent and in time, our expenses increased, and the burden on us became greater. We tried our utmost to economise and, I am glad to say, we met with considerable success. In effect, we have made the money we had go very much further than was intended at first. Our sub-committees and the Members of the N. P. C. co-operated with us in this, and thus enabled us to carry on our work economically and yet effectively.

The present position is, as you will see from the accounts that I am sending you, that we have a balance in hand which will enable us to function, as we have been functioning, till the end of June of this year. It will be necessary for us to make further arrangements for our expenditure for another 4 or 5

months. This expenditure during the final period will not only be the normal expenditure of the office and the sub-committees, but also the heavy cost of duplicating large numbers of reports, and finally printing the report of the National Planning Committee as well as the other reports with their numerous annexures. I cannot at this stage estimate what all this additional cost will be. Very approximately we may require a further sum of about Rs. 25,000.

If it is possible for your Government to make a further contribution to the National Planning Committee to meet these additional expenses we shall be grateful. This will enable us to finish our labours without having to suffer from paucity of finances.

As I have mentioned above, our next meeting of the full National Planning Committee is taking place on May 1st and will be held from day to day thereafter, possibly for a fortnight. Any representative of your Government, whom you may choose to send to this meeting, will be welcome.

Yours faithfully,
JAWAHARLAL NEHRU
Chairman.

Encl : Statements of accounts.

HONORARY GENERAL SECRETARY'S LETTER DATED THE
22nd APRIL, 1940, TO THE MEMBERS OF THE NATIONAL
PLANNING COMMITTEE, CONTAINING THE
AGENDA OF THE MEETING

THE NATIONAL PLANNING COMMITTEE

Ref. No. 2405.

Council Hall Building,
Apollo Bunder,
22nd April, 1940.
Bombay, 1.

To all the Members of the National Planning Committee.

Dear Friend,

In continuation of my letter No. 2388 dd. 13th April 1940, I am writing this to say that the agenda to be considered at the forthcoming meeting of the National Planning Committee beginning on the 1st of May will be:—

- (1) Presentation, consideration and adoption of the Audited Statement of Accounts upto the 31st December 1939, and further statement of accounts upto the 31st March, 1940.

- (2) Presentation and consideration of the reports from the various sub-committees which have been received in the office in the final or in the interim form.
- (3) Discussion of such general principles as may be arising out of the reports presented and other matters connected therewith.
- (4) Any other point that may be taken for discussion with the consent of the Chair.

The exact hour of the first day's meeting is intimated in my letter of the 13th inst., viz. 12 noon on the 1st May, 1940, and the timing for the subsequent days' meeting will be settled at the meeting.

Yours sincerely,
K. T. SHAH
Hon. Gen. Secretary.

HON. GEN. SECRETARY'S LETTER DATED THE 22nd APRIL, 1940,
ADDRESSED TO THE MEMBERS OF THE NATIONAL PLANNING
COMMITTEE AND THE CHAIRMEN AND THE SECRETARIES
OF SUCH OF THE SUB-COMMITTEES AS HAD PRESENTED
INTERIM OR FINAL REPORTS, REGARDING THE
CONSIDERATION OF THEIR REPORTS

THE NATIONAL PLANNING COMMITTEE

Ref. No. 2406.

Council Hall Building,
Apollo Bunder,
Bombay.

22nd April 1940.

To the Members of the N. P. C. and Chairmen and Secretaries of the under-mentioned sub-committees :

Dear Friend,

As you are aware, the National Planning Committee will be meeting from the 1st of May continuously for about a fortnight to consider the reports hitherto presented by the various sub-committees. It has been suggested to the Chairman of the N. P. C., and he has thereupon decided, that the Chairmen and Secretaries of the respective sub-committees, whose reports have been presented either in their final or in their interim form, should be invited each to present their own report to the N. P. C., and to explain such points therein as many require elucidation in the view of the Committee.

I am accordingly writing this to request you to be so good as to make it convenient to be present at the N. P. C.'s office on the day that your sub-committee's report is to be taken up, as per the programme given below, and help the Committee in such discussion or explanation as they may require in connection with your report.

If you are yourself a Member of the N. P. C. already, you would, of course, be present in any case throughout the meeting, and, therefore, it is unnecessary to intimate the exact hour when the report for which you are responsible will be taken up. But in case you are not a Member of the N. P. C., I may add that the exact hour of the day when your report will be taken up for discussion will be intimated to you as soon as the hours of the sessions of the National Planning Committee have been decided.

The programme is as follows :—

*Sub-committees & their
Group Nos.*

Day of Presentation of Report.

Engineering Industries including Transport Industries. (II|5)	}	2-5-1940
Chemicals (II|3)		
Labour (III|1)	}	3-5-1940
Population (III|2)		
River Training & Irrigation (I|2)	}	4-5-1940
Power & Fuel (II|2)		
Horticulture (I|7)		
Animal Husbandry & Dairying (I|5)	}	5-5-1940
Transport (V|1)		
Communications (V|2)	}	6-5-1940
Rural Marketing & Finance (I|1)		
Rural & Cottage Industries (II|1)	}	7-5-1940
Public Finance (IV|3)		
Currency & Banking (IV|4)		
Insurance (IV|5)	}	8-5-1940
Manufacturing Industries (II|6)		
Land Policy, Agr. Labour & Ins. (I|4)		
National Housing (VI|1)		

N. B. Not all the above mentioned reports are ready, but it is hoped they would be.

Yours sincerely,
K. T. SHAH
Hon. Gen. Secretary.

THE NATIONAL PLANNING COMMITTEE

THIRD SESSIONS— May 1940.

Chairman's opening address on the first day of the third sessions of the National Planning Committee, beginning the 1st May, 1940

1. We are meeting today after a long interval and I owe an apology to the members of the Committee both for this delay and for repeated changes of date. We met on the last occasion in full committee in June 1939 and it was decided then that we should hold our next sessions in the second half of October 1939, though no exact date was fixed. Owing to the delay in the work of the sub-committees, it was felt, however, that no useful purpose would be served by our meeting then. I consulted all the members by circular letters, and many of them personally also, and found that this was the general opinion. The war in Europe, which began early in September 1939, had created a new situation in India, both politically and economically, and various crises were developing. October was a changing and uncertain month, and later months added to this uncertainty. Under these circumstances, it was the general feeling that we should postpone the third sessions of the National Planning Committee and carry on with the work of the sub-committees. Members will, I trust appreciate the reasons for the delay in holding this session, and realise that the fault lay in the circumstances, and that no one was to blame for it.

2. Recent and repeated changes in the date of this meeting must have been disconcerting to members and I must apologise for them. It is not an easy matter to suit the convenience of all our members, who are busy men, living and carrying on their businesses or professions in distant parts of India. We have tried our utmost to meet their wishes and their convenience, but inevitably what suited some, did not suit others.

3. We meet under strange conditions in India and the world. It is a curious anomaly and contradiction that while we think and plan to build up India, and thereby help also in building up the world on a secure foundation, that world is engaged in the work of destruction on a vast scale. The future that we envisage seems to recede further away, and even the heritage of the past stands in danger of being lost. A dispassionate consideration of the world's problems yields place to the crime and folly of war, where reason and logic and goodwill have no place, and passion and hatred reign and the sword decides.

4. To some it may appear that this is a most unsuitable time for planning, which is essentially a labour of peaceful co-operation. It may be argued that we should wait for better times and more stable conditions, for who knows what the outcome of the present conflict will be? On what foundation shall we build, when no man can foretell what that foundation will be? And yet though we are

so uncertain of the future, this we know well that the future will be very different from the past or even from this changing present. Already we see vast political and economic changes taking shape in the womb of the future. Can we plan in India with all this doubt and uncertainty?

5. These considerations fill our minds, as they should, and we must give careful thought to them. And yet these very considerations lead us to a contrary conclusion. For it is this very time of change and uncertainty that demands mental activity and a vision of the future that we desire. If we are mere onlookers now, and passive and helpless agents of circumstances of the will of others, we barter away our claim to that future. Instead of preparing for it, we hand the reins to others. Every conflict ends some times or other, every war is followed by a peace, temporary or more enduring, every work of destruction has to be followed by construction. That construction will be chaotic and wasteful unless previous thought has been given to it. A period of war and dynamic change therefore demands, even more than the static times of peace, the planned activity of the mind, so that, when time and opportunity come, this may be translated with all speed into the planned activity of the nation.

6. Another change, intimately affecting us, has taken place during the past few months. Most of the Provincial Governments, which fathered this Planning Committee and cooperated with our work, are no more, and in a large number of Provinces, the structure of a limited Provincial Autonomy has given place to autocratic rule by alien authority. The outlook has changed completely and we see from day to day the reversal of the old policies. India which was emerging gradually into a semi-colonial stage, is now again being treated as a full colony and its resources used for anti-national purposes.

7. This change is obviously of great significance for us. Under these circumstances our planning becomes even more divorced from present conditions than it was before, and the structures that we might build, might appear to some as castles in the air. Yet that would be a foolish thought, for every one knows that present conditions in India, as well as elsewhere, are transitory and must pass. And in passing, they will not give place to the limited and restricted autonomy of the Provinces that had, but to a much broader freedom. And so, though the circumstances have changed, the necessity for planning is all the more vital and urgent.

8. The political changes in India have added in many ways to our difficulties, and it is conceivable that additional obstructions may hamper our work still further in the future. I was asked at one time whether it was desirable to continue activities of the National Planning Committee. I had no hesitation in giving answer that we must continue this work, even though the difficulties that encompass us increase and make normal functioning hardly possible. In any event, our sub-committees should carry on their labours and finish them; in any event.

we must collect all our material and arrange it and give it shape. If this is done, we shall be in a position to deal with it rapidly and effectively when the time comes.

9. I should like to express my indebtedness, as well as, I am sure, the appreciation of the Committee, to the Chairmen, Secretaries and members of the various sub-committees that we appointed, for the way they have tackled their difficult tasks, and given their time and energy to them. I should also like to express my gratitude to the members of our office staff who have worked hard and willingly, often far beyond the usual office hours.

10. It is a matter of sorrow and deep regret for all of us that Mr. P. N. Mathur, the Chairman of our Engineering Industries and Transport Industries sub-committee, died suddenly a few weeks ago. Mr. Mathur took the deepest interest in the work of the National Planning Committee and the report of the sub-committee, which he completed shortly before his death, is one of the most valuable and practical of our reports. It is exceedingly unfortunate that a man of his ability, training and earnestness should leave us in the prime of his life, when so much good work could be expected from him.

11. We have so far received reports from the following sub-committees, and these reports have already been circulated among members. Some of these reports are final, others are interim reports, as indicated opposite each.

1. Engineering Industries & Transport Industries	..	..	Final
2. Population	..	..	Final
3. Housing	..	..	Final
4. Labour	..	..	Final
5. Horticulture	..	..	Final
6. River Training, Part I	..	..	Final
7. Manufacturing Industries	..	..	Interim
8. Chemicals	..	..	Interim
9. Transport	..	..	Interim
10. Public Finance	..	..	Interim
11. Currency & Banking	..	..	Interim
12. Land Policy	..	..	Interim
13. Animal Husbandry	..	..	Interim

12. I understand that we are also likely to receive very soon the following reports :

14. Rural Marketing & Finance	..	..	Final
15. Industrial Finance	..	..	Interim
16. Power and Fuel	..	..	Interim
17. Woman's Role	..	..	Interim

13. There remain thus 12 sub-committees which have so far sent no report at all. It is unfortunate that some of the sub-committees dealing with agricul-

tural subjects are particularly behindhand. Two sub-committees—Technical Education and Fisheries—have not functioned at all so far. Fisheries is perhaps not so important, but Technical Education is a vital and essential part of Planning and it must be dealt with adequately. Unfortunately the eminent men who were appointed, one after the other as chairman, were unable to give time to this work. I hope that this sub-committee will soon begin to function.

14. Almost every report complains of the unsatisfactory nature of the statistics and data available. It is clear that adequate data and information is of the essence of planning, and therefore the very first step that a planning authority must take is to organise the proper and scientific collection of statistics, both for the formulation of the Plan and for its checking from time to time. It might have been worthwhile for us to have a special sub-committee to deal with statistics, for this science is becoming highly specialised. It is not merely a question of collecting facts, but of doing so in the most advantageous way, of arranging them properly and of drawing the right conclusions from them. Fortunately we have in India an efficient organisation which deals with this subject—The Indian Statistical Institute and the Statistical Laboratory of Calcutta. Professor P. C. Mahalanobis who is in charge of this laboratory has kindly offered his co-operation to us in every way and has sent us two notes on the subject, which are being circulated to members.

15. I have gratefully accepted the offer made by Prof. P. C. Mahalanobis to examine all our sub-committees' reports from a purely statistical point of view and to send us his suggestions thereon. Copies of these reports have been sent to him.

16. The procedure to be followed during this session of the National Planning Committee will be determined by the National Planning Committee itself in the first day. Provisionally, separate dates have been fixed for the presentation of each sub-committee's report and the Chairman and Secretary of that particular sub-committee have been invited to be present on that day. It is suggested that a general discussion might take place on the report then and advantage might be taken of the presence of the chairman and secretary to elucidate the report. If the National Planning Committee desires to take any decisions on the report at that stage it will do so.

17. A very detailed discussion of all the recommendations made in the reports at this stage may perhaps not be desirable, as this might delay the presentation of the other reports. Many of the fundamental questions that arise are common to many reports and it would probably be better to consider them as a whole after the various reports have been presented and generally discussed.

18. We have arrived at a stage when some of these fundamental questions of policy have to be considered and some indication given as to the method

of approach to Planning. It is inevitable that some of the sub-committees adopt differing methods and even make recommendations which do not fit into each other. The National Planning Committee itself represents many view-points, and while we must endeavour to bring them together and agree as far as possible, the possibility of disagreement on certain vital issues need not frighten us. A discussion of these different approaches and points of disagreement will be helpful to us, as well as later on to the public at large. That in itself has importance as the ultimate policy of the State will necessarily depend on public opinion, and the more informed this public opinion, the better it will be for us. It may be desirable, when our Report stage arrives, to give fully these differing view-points.

19. It must be remembered that final decisions in regard to National Planning will have to be taken by the State when it has the power to do so as well as the ability to give effect to its decisions. It is even more important to remember that the very basis of our Planning is a free India, democratically fashioned, where no external authority can interfere or obstruct the nation's work. There can be no planning otherwise ; if there is interference or obstruction from outside, it means the imposition of external authority and other people's decisions on us. Full political and economic freedom is thus an essential pre-requisite to Planning.

20. It is obvious that at present we are far from this political and economic freedom. Political domination is patent enough, but a far more dangerous and insidious thing is economic domination. While the public can see and feel political domination, and, therefore, reacts to it, it is not so conscious of the economic stranglehold which throttles the life of the nation and prevents industrial and other growth. We have had enough experience of this in the past and the present is full of dangerous possibilities owing to the War and its far-reaching consequences. These consequences are affecting Britain's economy vitally and may shake up completely or even upset her economic structure. Under present circumstances, it is exceedingly likely that the burden of this upsetting will be shifted as far as possible on to India, and we shall suffer because of it. Our financial and currency policy have long had no relation to the interests of India or the good of the Indian people. They are controlled by alien authority for other ends. As the war progresses and the tension grows the necessity and desire to exploit India will also grow. All the misfortunes of the pound sterling will be passed, with something added on, to the rupee, which has been forcibly connected in unholy marriage to the pound. Our gold continues to flow away at a time when every nation tries to conserve it.

21. All these similar considerations are of vital importance for us in the present as well as in future. They do not affect our Planned Scheme as that is based on an elimination of these factors and of all external authority. But

it is possible that improper and unjustifiable advantage might be sought to be taken of a part of our scheme in order to consolidate and strengthen foreign authority and interests in India. We must be on our guard against this. Our scheme is conceived for a free India and not for a colonial India with the strings of political and economic authority held elsewhere. It cannot be transplanted on different soil.

22. To give an instance : Many of our sub-committees' reports have recommended State ownership or control of certain industries, services and enterprises. Indeed we have already come to some general decisions on this subject. Obviously, when we refer to the State we mean a free and democratic India ; we do not mean the present State in India, subordinate to and controlled by foreign authority and interests. It would be absurd for the present State in India to interpret our recommendation in its own favour and thus add to its own political and economic power. This present State is carried on in the interest of British vested interests in India, and for this State to have more power means that British vested interests are further entrenched and added to. We know to our cost how Indian industry and enterprise have suffered because of this in the past. The Government of India Act of 1935 tried to perpetuate this state of affairs by preventing us from touching British interests in India. That policy continues and will be intensified under the pretext of war economy.

23. I have laid emphasis on this aspect of the question as it is important that all of us, and the public, should bear it in mind and prevent our exploitation as far as we can. Keeping this in mind, we should proceed with our Planning.

24. For thinking and planning for the future is essential if that future is not to end in misdirected energy and chaos. It is foolish to imagine that when the present crisis at long last ends, a new or better arrangement of world affairs or our national affairs will automatically emerge out of it. It is equally unwise to allow matters to drift, protesting occasionally perhaps, but otherwise looking on helplessly for fear that what we may do might involve a risk or be taken unfair advantage of by our opponents. The world is full of risks and dangers today. We cannot escape them. The greatest risk and danger is to drift and not give thought and energy to finding a way out. It is manifest that the old order has had its day and is dissolving, whether we like this or not. It has led to wars and upheavals and continuing conflicts which involve not only passion and hatred and an enormous waste of energy and resources, but also prevent us from achieving what is otherwise easily attainable. We have to understand the conflicts of forces that dominate the world today and seek to resolve these conflicts. It is certainly a possibility that the world may inevitably be led to social dissolution. We have to avoid that, if we can, but we cannot do so by shutting our eyes to the fact that the existing order is incapable of preventing this catastrophe. Something else, more in keeping with modern conditions, has to be evolved. Politics,

in our country as elsewhere, dominates the scene and occupies men's minds. But the real changes that are shaping the world are deeper than politics. If we plan, we must consider them and have clear minds about them.

25. We shall thus have to consider, at this stage or later, the basic and fundamental policies that must govern our Planning. Without a definite and clear-cut objective in view, and an understanding of the path we must pursue, we shall plan ineffectively or perhaps even in vain.

26. Already the National Planning Committee has given some thought to this matter and we have come to some general but fundamental decisions. It is well to recapitulate some of them. We are aiming at a free and democratic State, which has full political and economic freedom. In this State the fundamental rights of the individual and the group—political, economic, social and cultural—will be guaranteed, and the corresponding duties and obligations laid down. The State will be progressive and will utilise all scientific and other knowledge for the advancement of the people as a whole, and for the promotion of their happiness and material as well as cultural and spiritual well-being. The State will not permit the exploitation of the community by individuals or groups to the disadvantage of the former and to the injury of the nation as a whole. To realise the social objectives, the State has to Plan through its representatives for the nation (whenever possible, in co-operation with other nations) and to co-ordinate the various activities of the nation so as to avoid waste and conflict and attain the maximum results. This Planning will deal with production, distribution, consumption, investment, trade, income, social services, and the many other forms of national activity which act and react on each other. Briefly put, Planning aims at the raising of the material and cultural standard of living of the people as a whole. In India our standards are so terribly low and poverty is so appalling, that this question of raising standards is of the most vital importance. The National Planning Committee has suggested that national wealth should be increased between two and three times within the next ten years, and this should be so planned as to raise the general standard at least in a like measure.

27. The principle of State ownership or control of Key Industries and services, mineral resources, railways, waterways, shipping and other means of public transport, has also been accepted. This principle was laid down first by the Congress at Karachi in 1931.

28. Further it has been decided that Defence industries should be owned and controlled by the State; and that Public Utilities and all Key industries should be owned or controlled by the State. A strong body of opinion in the National Planning Committee was in favour of the State always owning Public Utilities. The principle of State ownership or control legitimately applies to

other large scale industries or enterprises which are likely to be monopolistic in character, or even to other large-scale enterprises.

29. This change may be impracticable in the near future in existing industries. But whenever even an established industry, under private control, receives aid or protection from the State, or tends to develop into a monopoly, or comes into conflict with the general policy of the State, the State should take necessary steps to assure conformity in all such ventures with its basic policy and with the objective laid down in the Plan.

30. It is clear that the very nature of Planning requires the control by the Planning Authority in some measure of even other than key or vital industries. This control might vary with the industry in question, but it will have to be rigid for the Key or vital industries.

31. It has further been decided that efforts must be made to avoid the establishment of new vested interests or any thing else which may come in the way of Planning.

32. A tentative list of Defence Industries, Key Industries and Public Utilities is given at page 102 of the Red Book. These lists will no doubt be revised by the sub-committees concerned.

33. The National Planning Committee has also declared that cottage industries, in conformity with the national policy, should be protected and encouraged. I have dealt with this matter in previous notes to the members. It will have to be considered more fully when we have the sub-committees' reports before us.

34. At the instance of the Manufacturing Industries Sub-Committee, a meeting of the Chairmen and Secretaries of all the sub-committees was held in Bombay on February 11th 1940 in order to consider matters relating to the control and functioning of industries. A full discussion took place then which was very helpful to those present. I have already sent to all members of the National Planning Committee a memorandum about this meeting. Some decisions were taken in conformity with those of the National Planning Committee as mentioned above. It was further recommended that in the event of a private industry being taken over by the State, fair compensation should be paid. In calculating this compensation, a number of factors will have to be taken into consideration, so that the interests of the general public do not suffer and, at the same time, the owners are not victimised. It was not thought necessary to go into further details in regard to this matter at that stage.

35. This meeting of February 11th also laid down that any large scale industry, which may come into conflict with a particular cottage industry encouraged and supported by the State, should itself be controlled by the State. Such con-

trol will prevent any conflicts arising and co-ordination will be easy. This viewpoint had previously been expressed in the National Planning Committee also.

36. I must apologise to members for the length of this note. I have written it in order not to take the time of the Committee by having to talk about these subjects, and also to put the issues before us as concisely as possible.

May 1st, 1940.

JAWAHARLAL NEHRU

Chairman.

RESOLUTIONS PASSED BY THE NATIONAL PLANNING
COMMITTEE AT ITS SESSIONS IN MAY 1940,
ON THE REPORTS PRESENTED BY THE
SUB-COMMITTEES.

At the commencement of the third sessions of the National Planning Committee, the Chairman opened the proceedings with a Note which reviewed the progress of the work so far done, and outlined the procedure to be adopted in considering the Reports which had been submitted by several Sub-committees (vide pages 28|36).

Reference was made to the deaths of Mr. Narasimha Raju, a member of the Manufacturing Industries Sub-Committee, and Mr. P. N. Mathur, Chairman of the Engineering Industries Sub-Committee.

The following condolence resolution was passed :—

“This meeting of the National Planning Committee has learnt, with grief, of the sudden and untimely death of Mr. P. N. Mathur, who was Chairman of the sub-committee on Heavy and Engineering Industries, and who had prepared a valuable report of that sub-committee, in a comparatively short space of time, which will be a monument to his knowledge, experience and patriotism. The Committee place on record their keen appreciation of the service rendered by the late Mr. Mathur in connection with the said sub-committee of which he was Chairman, and of the sub-committee on Mining and Metallurgy of which he was a member, and authorise the Chairman of the National Planning Committee to communicate this Resolution to Mrs. Mathur and her family, as well as to the Tata Iron & Steel Co., Ltd., who were pleased to permit the late Mr. Mathur to place his knowledge and experience at the disposal of the sub-committee of the National Planning Committee.”

After considerable discussion on the procedure to be adopted it was decided to take up each Report, and adopt such of the recommendations made therein, and in such form, as the Committee felt necessary and desirable in each case. As this

procedure had not been notified previously, the resolutions of the Committee, had in the beginning, to be drafted on the spot as each Report was taken up for discussion. But, as the procedure continued, it was found more convenient if those responsible for any Report were to draft their own resolutions for consideration by the National Planning Committee. Accordingly, after the first few days, those responsible for the Reports were requested to present, along with their Report, draft resolutions on the recommendations made in their Report to be considered and adopted by the Planning Committee, with such modifications as the latter deemed necessary in each case. The resolutions given below thus represent either final decisions of the National Planning Committee taken on such of the Reports as were final, or tentative decisions of that body if the Report was an interim one.

The Reports of the following Sub-Committees, which had been previously circulated to the Members of the National Planning Committee, were considered :

1. Engineering Industries (including Transport Industries)—Final Report. [See pp. 38-40].
2. Chemical Industries—Interim Report [See pp. 40-42].
3. Manufacturing Industries—Interim Report. [See pp. 42-47].
4. River Training & Irrigation—Final, Part I. [See pp. 47-48].
5. Population—Final. [See pp. 49-50].
6. Animal Husbandry & Dairying—Final. [See pp. 50-53].
7. Labour—Final [See pp. 53-57].
8. Currency & Banking—Interim. [See pp. 57-59].
9. Insurance—Interim. [See pp. 59-61].
10. Rural Marketing & Finance—Final. [See pp. 61-63].
11. National Housing—Final. [See pp. 63-64].
12. Power & Fuel—Interim. [See pp. 64-67].
13. Horticulture—Final Report. [See pp. 67-68].

ENGINEERING INDUSTRIES INCLUDING TRANSPORT INDUSTRIES. (II/5)

The Final Report of the Sub-Committee on Engineering (including Transport) Industries was presented by Mr. Ratanchand Hirachand, a Member of the Sub-Committee, on the 2nd May 1940. The Secretary, the Hon'ble Mr. M. N. Dalal was unable to be present. The consideration of the Report was concluded the same day. The following resolutions were adopted :—

- (i) The National Planning Committee having considered the Report of the Engineering Industries and Transport Industries Sub-Committee resolve that this should be forwarded to the National Planning Commission, when this is constituted. The Committee agree and are firmly of opinion that the establishment of

a heavy engineering industry for the manufacture of heavy machinery of all kinds, heavy forgings, boilers, machine tools, locomotives, railway carriages and wagons, heavy engines etc., is essential for the advancement of India, the development of her industries and for the organisation of defence. Such a key industry is the foundation for all Planning. It is necessary that all machinery required in India should be made in India, except in very special cases where this may not be considered absolutely necessary and economically feasible.

(ii) The Committee have appreciated the arguments advanced in the Report for the concentration of this heavy mechanical industry in one National Workshop situated in the coal mining area of Bihar-Bengal. They are of opinion, however, that both these aspects of concentration and location should be further examined by the Planning Commission. While the paramount consideration must be the national interest from the point of view of planned economy, existing plants producing heavy machinery should be encouraged to function where they can do so on an economic basis and advantageously to the nation. It should further be investigated how far the machinery required can be made, within the scheme of planned economy, in separate plants, situated in different parts of India. But in any event a major factory for producing heavy machinery etc. is necessary and should be started at a suitable centre. The location of such a factory should be decided upon after considering all the relevant factors, such as availability of raw material and power, including hydro-electric power, climate, and possibility of enemy action. It should be further borne in mind that such plants for heavy machinery do not come into conflict with the small tools made by the village blacksmiths or other craftsmen, and thus throw considerable numbers of people in the villages out of employment. The objects aimed at should be to prevent the import into India of foreign machinery and other goods, as far as possible and economically desirable, and to fit this into the larger scheme of planned economy.

(iii) The Committee further agree and recommend strongly that the manufacture of automobiles and other articles and machinery placed in the light Mechanical group should be undertaken at an early date in India. Only one automobile factory appears to be possible under existing circumstances. The location of this should be fixed after further consideration.

(iv) The building up of the Electrical industries as recommended in the Report is considered essential but their location may be decided upon later.

(v) All these industries being key industries, their ownership or control should, in accordance with the previous decisions of the National Planning Committee, rest with the State. The control in such cases should be adequate and effective. Existing plants during the period of transition, as well as small plants, control by the State as may be necessary in the interests of Planning. The State may, however, remain in private hands, but all such plants will be subject to such

referred to is the national free State of India, and not a State controlled by foreign authority.

(vi) In the transitional period the State may encourage private capital to start such plants by guaranteeing interest for a period of years, imposing heavy duties on foreign articles and otherwise, provided always that the State exercises rigid control of all such undertakings in the interest of national Planning. A system of licensing, as previously recommended by the National Planning Committee, is also recommended with this particular object in view.

(vii) Control of foreign companies and foreign vested interests by the State is essential for Planning and for the success of these enterprises.

(viii) The Committee agree that cheap and efficient transport is essential for industrial development, and approve of the suggestion that a Central Board of Communications be established.

(ix) The Committee also approve of a Sales Organisation being set up by the State.

(x) As regards the agency for the management of State-owned concerns, the Committee consider that this question should be further investigated. It may not be necessary or desirable to have the same type of agency for all such concerns. In any event, full advantage should be taken of the technical and managerial knowledge available, and the co-operation of well-established firms should be sought.

(xi) The Committee do not consider it necessary to deal with, or express their views on, the other recommendations and arguments contained in the Report, which will no doubt be considered in greater detail by the Planning Commission.

CHEMICAL INDUSTRIES. (II|3).

The Interim Report of the Chemical Industries Sub-Committee was presented by Dr. J. C. Ghosh, Chairman of the Sub-Committee, on the 2nd May, 1940. Prof. R. C. Shah, Secretary of the Sub-Committee, was also present. Discussion continued on the 3rd May. The following resolutions were tentatively adopted:—

(i) In order that Planning may be accurate and effective, a census of all forms of production, including cottage industries, is necessary, and legislation for this purpose should be undertaken.

(ii) The rapid development of the dye-stuff industry is considered necessary; and for this purpose it is recommended that a dye-stuff corporation should be formed as soon as possible. This industry is likely to require State-aid, and it

may be either subsidised and controlled by the State, or owned by it. The Corporation should, in the initial stages, concentrate on the production of particular direct and basic colours, naphthols, and bases, as indicated in the appendix to the report. When the factory or factories under the Corporation start operations and produce dyes etc. of standard quality in sufficient quantity, the importation of dyes and intermediates should be prohibited under license for special reasons.

(iii) The immediate establishment of a synthetic ammonia plant is recommended, with a view to making India self-sufficient with regard to synthetic nitrogen fertilisers. Such a factory should produce at least 50,000 tons of ammonium sulphate, which is approximately the present deficit in production in India.

(iv) The question of the proper use of coal should be considered later, along with the recommendations of the Power & Fuel Sub-Committee. The National Planning Committee, however, agree generally with the recommendations that: (a) the use of raw coal for domestic purposes, which involves waste and causes the smoke nuisance, should be prohibited; (b) a sufficient quantity (3 million tons) of coal should be distilled to produce the soft coke necessary for this purpose; (c) the tar obtained from this process, as well as from other factories now in use, should be processed to yield the road tar necessary for improving roads, ammonium sulphate for use as fertilisers, and the chemicals and intermediates essential for the dye and drug industries.

(v) The indigenous synthetic drug industry should be encouraged by a protective duty on synthetic drugs imported from abroad, and by suitable modification of the excise regulations relating to the spirits required for the drugs.

(vi) We recommend that an industry for the manufacture of explosives be started, and that this be state-owned.

(vii) Crude petroleum should be imported into the country and subsequently refined in this country, in accordance with the recommendation of the Tariff Board on this subject, and the import of petrol and kerosene be subjected to a heavy duty.

(viii) Scientific research for industrial purposes is necessary for the proper utilisation of many products in manufactures. There should be a State Department for Industrial Research, which should establish a National Chemical Laboratory, as well as such other laboratories as may be considered necessary, encourage research work in Universities, and give facilities for doing research work in different parts of the country, including grants-in-aid to co-operative research work. The National Chemical Laboratory should especially investigate the possibilities of using various chemicals as substitutes, of obtaining necessary chemicals from the available resources, and of starting manufactures as suggested in the interim Report.

(ix) Heavy chemicals should be protected for a definite period from foreign

competition. Such raw materials and chemicals, which are not available in the country, for example, sulphur, arsenic, lead, tin, etc., and some of their compounds, should be allowed into the country free of import duty.

(x) The Chemical Industries, and more particularly the heavy chemical, and tar and petroleum distillation, and associated industries should be owned or controlled by the State."

MANUFACTURING INDUSTRIES SUB-COMMITTEE. (II|6)

The Interim report of the Sub-Committee on Manufacturing Industries was presented by Mr. Ambalal Sarabhai, Chairman of the Sub-Committee, on the 3rd May 1940. Dr. Nazir Ahmad, Secretary of the Sub-Committee was also present. Discussion continued on the 5th & 8th May. The following resolutions were tentatively agreed to.

1. In the matter of location of industries, the claims of the industrially backward areas should be given special consideration, subject to economic considerations justifying the same.

2. With regard to the location of industries, equal opportunities should be given to every federating unit, subject to economic consideration, of employment of labour and development of natural resources, provided similar conditions of work and wages prevail in the unit under consideration.

3. As regards the size of the units, it is recommended that no unit should be so large as to be outside the reach of competition by smaller, but economic units. Units smaller than the economic units should not ordinarily be allowed to be started, except for experimental or pioneer purposes. The size of the economic unit will be decided in the case of each industry by qualified authority.

4. The power, fuel and mineral resources of the country should be fully conserved, scientifically developed, and utilised. We also recommend that where the power, fuel, and forest resources are available, they should be utilised. The details of working out this principle falls more properly within the scope of the Mining and Metallurgy as well as the Power and Fuel sub-committees.

5. The Defence Industries (as mentioned on page 102 of the red-book) should be State-owned in peace and war. The Planning Authority should also ensure, while laying out the plan, to see that non-State owned works, carrying on peace-time activities for private consumption, other than those which constitute Defence Industries, should nevertheless be so equipped and organised that they are capable of being switched over to State service for additional war-time requirements.

6. Public utilities should, as a general rule, be managed by public autonomous trusts.

7. On principle we are opposed to monopolies in private hands ; and therefore, all monopolies which are injurious to public interests, or whose acquisition is beneficial to public interests, should be acquired by the State. We recognise, however, that in certain industries it may be inevitable to combine manufacturing units for the purpose of better economic production or selling organisation with a view to prevent profiteering on the one hand and unhealthy competition on the other. In all such cases the units or combines should be under adequate State supervision and control.

8. We recommend that, so far as possible, new industrial concerns should be located in suitably developed open areas, where the necessary facilities for the running of such industries and the proper housing of the industrial population are provided.

9. We recommend that all reasonable measures for the improvement of conditions of work inside the factory, such as the elimination or reduction to a minimum of dust, trash, smoke, etc., regulation of heat, moisture, etc., provision of light, etc., should be adopted in all industrial concerns.

10. We recommend that a reasonable part of the gross profits realised by an industrial concern should be ear-marked for depreciation before any other allocation, and the sums ear-marked shall be reserved for this purpose.

11. We recommend the establishment of an *Institute of Industrial Psychology*, whose service should be available to the industry.

12. In foreign countries with which India has substantial trade, Trade Commissioners of Indian nationality should be appointed to act as liaison officers, to disseminate information regarding the Indian procedure, to facilitate transactions between buyers and sellers, to make periodical reports regarding the trend of markets in their areas, and to help in every possible way the concerns engaged in the buying or selling of Indian goods. In the appointment of these Trade Commissioners, their qualifications for such work, including their knowledge of industry, trade and commerce, should be the governing consideration.

13. When any foreign country has established quota arrangements, or other restrictions, in their dealings with India, similar restrictions may be established from the Indian point of view, wherever it is necessary. Clearing agencies for any such purposes must be established, so that the whole of the foreign exchange arising out of trade operations passes through the hands of the State, and may be used by the Reserve Bank as and when it may be necessary for state purposes.

14. Qualified men should be periodically sent out in the principal consuming or potential markets of Indian goods, to make an extensive survey of the

changing conditions of the market, and to submit reports thereupon. Where Indian produce is exported, efforts should be made to see whether the article manufactured from such material cannot be exported from India in a manufactured form, or whether some intermediate transformation of the raw material, so as to add to its value before it leaves India, cannot be achieved.

15. *Museums* should be established both in India and abroad for the display of the raw materials and finished goods of Indian manufacture. In each case special emphasis should be laid on the type of articles which are generally consumed in that centre, or for which there is a likelihood of good demand.

16. Standardisation of weights and measures on an all-India basis should be carried out at an early date, so that a uniform system of weights and measures is applicable to the whole country. For this purpose a Bureau of Standards should be established at a central place, and this should collaborate with international organisations set up for such purposes. If other conditions permit, the Metric System should be encouraged and adopted.

17. Transport and storage facilities, including cold storage, both in transit and warehouses, should be provided, extended and improved for Indian produce of all kinds according to its requirements.

18. Arts and crafts emporiums for the encouragement of local industries, especially small-scale and cottage industries, should be provided by the Provincial Governments and Local bodies.

19. The grading of all agricultural produce in order to ensure proper grades and uniform quality should be completed at an early date, and measures such as the Indian Agricultural Produce Act, Indian Foods and Drugs Act, etc. should be passed and applied wherever necessary. Measures on the lines of the Cotton Ginning and Pressing Factories Act should also be passed and enforced to check malpractices and adulteration of superior with inferior varieties.

20. It is desirable to institute a system of licences for all businesses, more especially the distribution of industrial products, and such licences should be issued by statutory bodies. Amongst the conditions attached to such licences should be one, which would render the licence liable to cancellation, if the conditions laid down for the benefit of the public are violated.

21. Railway freights and classifications should be examined from the point of view of marketing of industrial products ; and wherever the incidence of freight adds considerably to the transport charges and acts as a drag on the industry, the freight should be reduced by an appropriate amount, with due regard to safeguarding other interests concerned.

22. We feel that by judicious adjustment it may be possible to establish a mutually beneficial co-operation between large scale and cottage industries as a

whole. We favour, therefore, looking at the constituent parts of an industry and apportioning production in such a manner between large scale and cottage industry as to provide for legitimate expansion of both and utmost contribution to national well-being. We recommend that there should be a permanent Board of Research to go into the changing economics of large scale and cottage industries, including its reactions on those employed in the cottage industry and a much larger number of consumers, as a result of which the State may decide their respective scope.

23. We recommend that suitable facilities should be provided in each Province, with special regard to the needs of the Province in the matter of industry and commerce, for training sufficient number of men and women for all kinds of posts in the industrial and commercial concerns. In this connection, special regard should be paid to the training of men for the higher posts, who can design new types of machinery, erect large factories, undertake original industrial investigations with a view to increasing efficiency and reducing wastage and cost, and possess initiative and organising capacity. Where such facilities already exist, they should be expanded in the appropriate manner; where no such facilities exist, new departments, schools or colleges should be opened.

24. Apprentice schemes for the training of apprentices in different industries should be initiated in each area. These schemes should be worked out to give the best results, with due regard to the special interests of each industry, if necessary by legislation.

25. In order to absorb the trained men and women turned out from the industrial institutes, apprentice classes, etc., it should be made compulsory on each industrial concern to employ a certain percentage, which would be determined with due regard to its special interests and requirements, of technically trained men.

26. In special cases the services of highly qualified foreigners may be engaged, on a contract basis, to impart training in special subjects in India.

27. Until such time as adequate facilities are available in India for the training of men and women for all kinds of work in industrial concerns, it would be necessary for Indians to receive this training in suitable technical institutions and industrial organisations in foreign countries. We recommend that in such cases the State should furnish full information regarding such institutions, make the necessary arrangements for the training of Indians abroad, and, in the case of qualified and deserving persons, should render them such financial and other help as may be necessary. It should be a part of the Stores Purchase policy of the State to stipulate for the training of men selected by the State.

28. It is recommended that a Standards Institution should be established at an early date. This Institution should prepare and issue standard specifica-

tions for various articles manufactured in India. Such standard specifications will, on the one hand, safeguard the purchaser by ensuring a generally suitable quality and performance at a reasonable price, and on the other, safeguard the manufacturer by minimising unfair competition.

This Institution should work in close collaboration with the central standardising bodies in the various parts of the world.

29. The manufacture of machinery of all types should be undertaken in India after a careful survey of the present requirements and resources, and should be expanded progressively in proportion to our industrial development in the future. For this purpose, an immediate survey of the following materials which are essential for the manufacture of machinery should be undertaken, and this survey should be repeated every five years to assess the extent to which, as a result of the fullest possible exploitation of our resources, India is able to produce the materials required for the manufacture of machinery :

Antimony	Lead, Magnesite
Asbestos	Manganese
Asphalt	Mercury
Bauxite	Molybdenum
Camphor	Nickel
Cement	Phosphate-rock
Chrome Ore	Platinum
Cobalt	Potash
Copper	Rubber
Cryolite	Salt
Felspar	Tin
Graphite	Tungsten Ore
Iodine	Vanadium Ore
Iron Ore	Zinc.

RIVER TRAINING & IRRIGATION.

1/2

Part I of the Report of the Sub-Committee, dealing with Irrigation, was presented by Nawab Ali Nawaz Jung, the Chairman of the Sub-Committee, on the 3rd May 1940. Mr. U. N. Mahida, Secretary, was also present. Discussion continued on the 4th May, and the following resolutions were passed.

I. With a view to obtain a high degree of co-ordination and correlation of effort, the establishment of a National Water Resources Board, for the conservation and utilisation of water resources in the country, is recommended.

This Board will deal with irrigation, navigation, flood-control, river management, hydro-electric power and use of water for dietetic purposes.

The functions and duties of the Board will be to advise and assist the Administration through :

- (a) the preparation, development, and maintenance of comprehensive plants ;
- (b) surveys and research ;
- (c) the analysis of projects for co-ordination and sequence.

2. Progress at present is greatly hampered owing to uncertainty of water titles, and we recommend that Inter-Provincial-State Commissions be arranged for reconciling the various interests and conflicting water rights.

These Commissions will consist of one representative each from the Provinces and major States interested in the waters, and two independent members from the Water Resources Board.

3. There is great need of extending the system of permanent gauging stations on all rivers concerning which records of flow are important for planning water resources.

4. We also suggest the systematic undertaking of research and investigation to determine the extent and availability of the ground-water supplies, and the relation between their use and depletion.

5. It is important that our rivers should be developed to the greatest possible extent and effectively utilised at the earliest practicable date. For this purpose conservation of water by storage has become a matter vital to the future growth and development of the country, and we recommend the initiation of extensive reservoir systems commensurate with the needs of the country.

6. We recommend that no time be lost in drawing up and carrying out a construction programme for an addition of about 12 million acres under 'Government Canals and Reservoirs' in the ensuing two decades.

7. We recommend that a detailed land classification be undertaken to determine whether the land is worth the water that is to be applied to it.

8. We recommend that steps be taken for agricultural planning to be tied in closely with the water control programme. Where perennial irrigation is to be practised, a suitable system of agriculture should be developed beforehand.

9. Where the irrigational interests are large, we recommend that Co-operative Organisations should be established for :

- (a) the careful preparation of land for irrigation ;
- (b) the distribution of water under fixed rules and discipline ;

- (c) the carrying out of the minor drainage operations, and
- (d) taking steps for the prevention of swamps, stagnant pools, the spread of malaria, etc.

10. We recommend that suitable laws should be enacted to entrust the upkeep of the numerous minor tanks to the village communities concerned.

11. We consider that irrigation management should be recognised as a distinct profession and recommend that steps be taken for providing the requisite training.

POPULATION.

III|2

The Final Report of the Population Sub-Committee was presented by Dr. Radhakamal Mukerjee, Chairman of the Sub-Committee, on the 4th May 1940. Mr. B. C. Guha, Secretary of the Sub-Committee, was also present. Discussion continued on the 9th May. The following resolutions were passed.

1. We agree with the view that the size of the Indian population is a basic issue in national economic planning, in so far as its unrestricted increase, out of proportion to means of subsistence, affects adversely the standard of living ; and tends to defeat many social and ameliorative measures.

The problem has been fundamentally caused by the lack of all-round, coordinated economic development. While measures for the improvement of the quality of the population and limiting excessive population pressure are necessary, the basic solution of the present disparity between population and standard of living lies in the economic progress of the country on a comprehensive and planned basis.

2. With a deficit in food supply estimated at about 12% of the requirements of the population, and chronic under-nutrition and unbalanced dietary of the masses, India should utilise her waste lands, and improve her yield per acre as much as possible.

We recommend that, in relatively sparsely populated areas, land reclamation should be promoted through Rural Settlement Departments ; and planned inter-Provincial migration from over-crowded regions should be encouraged, establishing zones of agricultural colonisation in newly reclaimed areas as well as for industrial purposes. The State should own such agricultural areas to avoid the creation of new vested interests.

3. We consider that the prevalent under-nutrition and malnutrition should be tackled by systematic crop planning, stressing the production of heavy-yield-

ing, energy-producing and also protective food-stuffs. We recommend in this connection the establishment of a Central Nutrition Board with regional boards, for developing a national nutritional policy in coordination with the Departments of Agriculture and Public Health. There should also be nutrition research institutes functioning under these Boards.

The present food resources should be more effectively utilised and supplemented, particularly by vegetable or animal proteins, so as to give a more adequate and balanced diet ; and an attempt should be made to improve food habits and methods of food preparation of the people, so that they may obtain more nutritive values from the foods consumed.

4. In the interests of social economy, family happiness and national planning, family planning and a limitation of children are essential ; and the State should adopt a policy to encourage these. It is desirable to lay stress on self-control, as well as to spread knowledge of cheap and safe methods of birth control. Birth control clinics should be established, and other necessary measures taken in this behalf and to prevent the use or advertisement of harmful methods.

5. We consider that the gradual raising of the marriage age and discouragement of polygamy are desirable in the interests of the limitation of the size of family.

6. The removal of barriers to inter-marriage is desirable for eugenic and other social reasons.

7. An eugenic programme should include the sterilization of persons suffering from transmissible diseases of a serious nature, such as insanity or epilepsy.

8. For the blind, deaf, mute, infirm, feeble-minded, and other socially inadequate persons, we recommend that there should be more adequate and more appropriate institutional care and vocational training through hospitals, special schools, colonies and homes, in order that they may prove useful and be not an excessive burden to society.

9. When planned society comes fully into being, occasions for individual unorganised or sporadic charity will have no place. Misfortunes for which such charity is at present provided will be far rarer then, and such as occur will be guarded against by the collective obligation of the State. Even during the transition period, individual alms-giving must give place to organised relief and institutional care.

10. All social handicaps which come in the way of equality between man and man, and man and woman, must be abolished. Untouchability and all such-like disabilities must be completely ended.

11. The maintenance of vital statistics, and the carrying out of periodic

demographic surveys on comprehensive lines, are necessary ; and appropriate machinery should be devised for this purpose.

ANIMAL HUSBANDRY & DAIRYING.

I|5

The Final Report of the Animal Husbandry & Dairying was presented by Sir Chunilal V. Mehta, Chairman of the Sub-Committee, on the 4th May 1940. The Secretary, Rao Bahadur M. R. Ramswamy Sivan, was unable to be present. Discussion continued on the 8th May. The following resolutions were passed.

India has the largest proportion of animal production in the world, a considerable proportion of which is useless and burdensome. Means must, therefore, be found by sterilization and by other ways to reduce the size of the present cattle population, and also to guard against the increase of useless animals in the future. Though the number of animals is the largest in India, the produce per animal is miserably poor. Means must be found to increase this produce per animal, and to make the cow an economic proposition, and to cheapen the cost of cow's milk and milk products. With this end in view, while generally approving the Report of the Committee on Animal Husbandry, the following recommendations are made :—

1. The first essential is the breeding of Pedigree cattle suitable for regional areas with a view to distribute the bulls and cows on the premium system throughout the villages. The responsibility for doing this must rest with Government.

2. The objective of breeding should be what is known as the general utility or dual purpose animal, as India is an Agricultural country requiring bulls for cultivation, though the combination of milk and draught characteristics, including for agricultural operations, may mean some sacrifice in both to a certain extent. This policy is also necessary because animals cannot be bred for slaughter in view of the strong sentiment in the country in this matter.

3. Breeding should be done by selection from indigenous stocks as the experience of crossing with foreign breeds has not been happy.

4. Legislation on the lines of the Punjab and Bombay, but with its provisions considerably strengthened, should be undertaken for sterilising bulls and ringing cows which are found to be useless and superfluous, with a view to replacement ultimately by pedigree animals.

5. The system of dedication of Brahmani Bulls should be carefully watched so that only proper bulls, and ultimately pedigree bulls, are selected with the help of village panchayats and with the approval of the animal husbandry authority.

6. The question of Government Cattle Farms, Co-operative Organisation for

Cattle breeding and for Milk Production, Transport and Processing, and for the Distribution of Premium Bulls have been recently examined in the report of the Expert Cattle Committee, Bombay, 1939, whose recommendations may generally be taken as the basis of work, *mutatis mutandis*, in other provinces and states.

7. Proper provisions should be made for fodder, controlled grazing, silage, throwing open of forest areas, where feasible, and by legislative insistence, where practicable, on the cultivator setting apart a portion of his holding for fodder crops.

8. Good animals require good food, and the question of animal nutrition requires further research.

9. Cow's milk is an excellent article for diet for human consumption, and surpasses buffalo milk. When the arrangements mentioned above have been made and sufficient quantity of milk can be provided, there should be a drink-more-cow's milk campaign, especially in cities, where the taste has been developed for buffalo milk. The creation of a demand for cow's milk will be a great support to the dairying industry. Buffalo's milk is preferred because of its fat content. The objective of breeding should aim at increasing the butter content of cow's milk which can be done. This will also help the use of cow's milk for ghee manufacture for which there is a demand in the country.

10. Profitable production of pure milk and milk products is greatly handicapped by the unfair competition of unscrupulous vendors and distributors of adulterated articles. There should be adequate provision of law against this, and it should be strictly enforced. The competition of what is called vegetable ghee should be provided against. It is desirable to give a generic name to these hardened oils and the use of the word "ghee" should be prohibited for these products. Some distinctive colour should be given to these products at the factory, so that they cannot be mistaken for "ghee". The distinctive colour may be such as not to affect the colour of the cooked food.

11. Dairies should be removed from cities to rural areas at a suitable distance from them, both because the cost incidence in cities is high, and because it leads to the slaughter of our best animals as well as to the cruel and disastrous process of phooka. Transport facilities should be given.

12. Slaughter houses should be strictly controlled by a Veterinary Officer, who should see that no animals that are capable of being useful are destroyed. Regulations should be made to provide against the slaughter of animals serviceable for agriculture and for milking purposes. The objective should be to make the keeping of animals an economic proposition.

13. Pinjrapoles and Gorakshak Mandals who derive their funds from trade should be persuaded to take up cattle breeding at least as a part of their activity.

14. In tracts where male buffalos are used for cultivation and transport, attention should also be paid to the breeding of good buffalo stock.

15. Much more attention should be paid to animal husbandry as an important department. The subject of Animal Husbandry should find a place in the curricula of the appropriate educational institutions. Research in all branches of Animal Husbandry and Dairy Produce should also be encouraged.

16. Timely prevention of cattle disease, control of epidemics, and compulsory inoculation are recommended. More research is required on animal diseases.

17. The Committee are of opinion that there is scope in this country for manufacturing milk products like Casein, Skim Milk powder, Condensed Milk etc., which are now imported ; and this industry should be safeguarded. In the manufacture of ghee it should be examined whether the preparation of it from creamery butter is not as good as, or better than, the deshi method from whole-milk curds.

18. The Sub-Committee's recommendations with regard to the breeding of sheep, goats and poultry, and also with regard to Bee-Keeping, are generally approved.

LABOUR.

III|1

The Final Report of the Labour Sub-Committee was presented by the Chairman of the Sub-Committee, Mr. N. M. Joshi, on the 6th May 1940. Mr. V. V. Giri, a member of the Sub-Committee, was present. The Secretary of the Sub-Committee, Mr. V. R. Kalappa, was unable to be present. Discussion continued on the 7th and 8th May. The following resolutions were adopted.

1. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social insurance and such other matters, should apply, subject to such variation as may be necessary owing to the nature of the occupation, to industries and occupations to which so far no such regulation has been applied.

2. It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulations for the improvement of living and working conditions, due regard will be paid to the interests of the consumer, and the capacity of each industry to support this obligation. In the event of an industry not being able to comply with these conditions, the State may protect, subsidise, or take it over, if it is the interest of the community to do so.

3. *Hours of Work* :—Working hours should be limited to 48 hours per week and nine hours per day. This should not lead to any reduction of earnings.

It is recommended that a committee should investigate into all the questions arising out of the application of a 48 hour week on an all-India basis, including conditions of work.

4. This provision (relating to hours of work in resolution 3 above) shall apply to all employees in—

- (a) factories and workshops, employing five or more persons and using mechanical power, or to factories and workshops employing ten or more persons even though not using mechanical power ;
- (b) mines and quarries ;
- (c) public transport services using mechanical power.

5. The principle of limiting the total weekly hours of work should be applied to other industrial and commercial occupations, including plantations, building works, public utility services, with due regard to the nature and varying conditions of the occupation.

6. *Child Labour* :—The minimum age of employment of children should be progressively raised to 15, in correlation with the educational system.

7. *Health and Safety* :—In view of the specially technical nature of the problems of health and safety, a special committee should be appointed to make detailed investigations and recommendations for improving provisions for the health, safety, and conditions governing night work, in all regulated undertakings.

8. *Wages* :—A wage fixing machinery should be established early in all provinces, in order to secure for the workers a living wage, fix minimum wages, consider other questions relating to wages, and obtain for them a decent standard of life, health and comfort.

There should also be a Central Board in order to co-ordinate the activities of the Provincial Boards.

9. *Housing* :—The question of Housing should be considered as a national obligation of the State ; and should, therefore, be more fully considered in connection with the housing sub-committee's recommendations. It is desirable therefore for the State, including the Local Body, to make provision for housing, as well as for co-operative schemes to be undertaken.

During the period of transition, and in order to improve housing conditions as rapidly as possible, employers should be required to erect suitable houses for workers, provided that full provision is made for freedom of movement and association, and against victimization by way of ejection during industrial disputes. Where necessary, facilities for transport should be provided.

10. *Holidays With Pay* :—All industrial employees should be given at least 10 continuous working days (exclusive of public holidays) as paid holidays after 12 months service.

11. *Workmen's Compensations* :—The present rates paid by way of compensation should be examined and made adequate.

12. *Maternity Benefits* :—Maternity benefit legislation should be undertaken on the general lines laid down by the Geneva Convention of 1919, in regard to the period before and after childbirth, and payment being made out of a special public fund.

13. The Committee resolved that the right of woman workers to get equal pay for equal work must be recognised.

14. A system of compulsory and contributory social insurance for industrial workers should be established directly under the control of the State, to cover the risks of sickness and invalidity other than those covered by the Workmen's Compensation Act. Schemes for providing alternative employment to those involuntarily unemployed, Old Age Pensions and Survivors' Pensions, and also Social Insurance to cover risks of sickness and invalidity for all, should be established directly under the State. These schemes should be extended by stages, priority being given to particular classes of workers, with due regard to the relative urgency of their needs, facility of application, and to the ability of the community to provide for them.

15. *Literacy* :—A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

16. *Technical Education* :—Provision should be made for technical education of the workers by establishing Day and Night Schools for the purpose, so that the worker might become more efficient in his own industry, and might also learn an alternative occupation. After the State has made suitable provision, a certain period should be fixed after which only literates will be employed.

17. *Trade Unionism* :—Legislation should be passed to recognise Trade Unionism as an essential and integral part of the economic system.

18. *Trade Disputes* :—Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

19. *The Labour Inspectorate* should be strengthened in the various provinces, and should include women. Co-operation between Inspectors of various provinces should be established by periodical conferences.

20. *Labour Legislation* :—It is desirable to have uniformity and co-ordination in labour legislation all over India. There should, therefore, be full co-ordi-

nation between the Centre and the Provinces, and the Provinces and States *inter se*, and appropriate machinery for this purpose should be devised, such as Tripartite Industrial Councils representing the Government, the employers and labour. This principle of uniformity and co-ordination should be borne in mind when prescribing the respective spheres of Central and provincial legislation affecting labour.

21. Both in the interest of industry and the community, it is desirable to associate the workers progressively in the control system.

22. *Domestic Service* :—The case of those engaged in domestic services requires special attention and legislation in regard to their hours of work, wages, holidays, social insurance, and the like.

23. In order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads leading to the workers' places of work and residence, and sufficiently large open spaces near their houses.

24. The right of repatriation of the workers on plantations should be made adequate.

25. *Seamen* :—An Employment Bureau under Government control should be set up in each major port, and recruitment of seamen should be made only through such a bureau. The work of the bureau should be carried on by persons possessing practical experience; but there should be a Joint Maritime Board to tender advice on all matters concerning the work of this Bureau. This Joint Maritime Board should include an equal number of representatives of ship-owners and seamen.

26. There should be adequate accommodation, with light and air, and sufficient food of proper quality on board, and there should be no racial discrimination in regard to these.

27. *Dockworkers* :—Each major port should have a register of all workers who have a genuine claim to be regarded as dock labourers, and appropriate arrangements should be made for the proper rotation of work. This principle should be extended to other classes of casual labour, wherever possible. Labour exchanges and other appropriate machinery should be devised for the recruitment of all classes of workers.

28. *Industrial Disputes* :—Under Planned Economy, legislation should be passed for adjudication of industrial disputes by impartial tribunals.*

* The question of arbitration in industrial disputes had been previously discussed on May 7th. It was further discussed before this resolution was passed. Prof. R. K. Mukherji was opposed to any provision which might come in the way of strikes even under Planned Economy. Mr. N. M. Joshi stated that he would like to see the future State before he could commit himself to the principle underlying this resolution. Much depended on the nature of this State. He would therefore suspend judgment till then.

CURRENCY & BANKING.

(IV|4).

The Interim Report of the Currency & Banking Sub-Committee was presented by Mr. Manu Subedar, Chairman of the Sub-Committee, on the 7th May. Prof. C. N. Vakil, Secretary of the Sub-Committee, was unable to be present. Discussion continued on the 9th & 10th May. The following resolutions were tentatively adopted :—

1. The Reserve Bank of India is dominated by British financial interests and carries out policies dictated by them. The Bank must therefore be nationalised, and be owned and managed by the State.

2. Banking business of every description must be carried on under a license, and must be subject to such regulation, supervision and general control as the Central Banking authority imposes from time to time.

3. One of the essential conditions of the license to do banking business in this country should be that at least 95% of the personnel will be Indian. In the case of banks registered in India, all the directors should be Indian nationals, the employment of any foreigner in any such bank will be left open as expert adviser only, and not as chief executive or manager.

4. Banks not registered in India should be prohibited from receiving any deposit or raising loans, in the same manner as in the United States of America.

5. Banking facilities in the country must be widened and made easily available to the mass of the people, by means of an adequate number of branches of large Joint Stock Banks, small local banks, improvement and extension of Post Office Savings Banks, Co-operative Banking Societies, and private bankers, under a proper system of regulation.

6. All inland remittance charges should be eliminated. The Hundi system should be encouraged and strengthened, and Discount Houses should be established.

7. The Stock Exchange should be re-organised, and should work under very strict public control, so that they might function primarily as institutions to help investors.

8. All commodity markets, in which future or forward dealings take place, must be under regulations approved by the State.

9. All import and export trade must be done under a system of licenses, which should be freely given ; but which are so designed as to enable the State

to have the fullest information regarding the direction of the trade, and to facilitate control and regulation as they are found necessary.

10. Increasing use should be made for foreign trade in staple articles, of recognised corporations, especially charged with functions of exporting and importing.

11. The entire foreign exchange business of the country should be conducted under the complete control of the Reserve Bank, and in such manner as it may determine from time to time. The Reserve Bank should make Foreign Exchange available to the other banks within limits of safety for the external value of the Indian currency.

12. Drastic steps should be taken to prevent drain of funds from the Indian money market in respect of insurance premia. The State should exercise greater control over all insurance funds with a view to ensure not only their safety but maximum utilisation for national purposes.

The Sub-Committee had recommended the extension of the State insurance scheme to the public with a view to eliminate private enterprise in this field. As this question had also arisen in the consideration of the Insurance Sub-Committee's Report, it was decided that a decision should be taken at a later stage.

13. The value of the Indian Currency Unit, whether at home or abroad, should be regulated exclusively by considerations of benefit to the Indian national economy, and not in the ruinous manner as at present, when the Rupee is linked to the Sterling. The link of the Rupee with the Pound should be broken as early as possible, all necessary steps and precautions having been previously taken.*

14. While in Planned Economy, fluctuation and depressions will be reduced to a minimum, it is desirable that, meanwhile, these should be controlled, and sudden or prolonged fluctuations avoided, by the Central Monetary authority in the country. For this purpose several Index Numbers, based on different commodities and different considerations, should be kept to indicate the direction of these fluctuations as also the progress of the Plan. The Central Monetary authority should regulate the price levels and other conditions through the adjustment of the volume of currency and credit.

15. No reserves against the Indian Paper Currency, or the Indian Credit and Banking system, should be in sterling, as hitherto. All such reserves should

* There was a note of Dissent to this Report by Prof. K. T. Shah, which was discussed for some time. Several members stated that while they were attracted by this new approach to money, it was not clear to them how it could be made feasible and practicable. It would be in the nature of an experiment. Mr. Ambalal Sarabhai suggested that Prof. K. T. Shah might write a fuller note on the subject, explaining his point of view and how it could be applied. This note should be circulated to members of the N. P. C. Prof. Shah agreed to this.

be normally in India,, but the Reserve Bank should have discretion and powers of holding a portion at such places abroad (in gold only in quantities laid down by law) as is considered desirable and necessary. Reserve in gold should not be permitted normally to be kept out of India.

16. The export of gold from India on private account must be prohibited forthwith, and the import of gold must be confined to the Reserve Bank only.

17. To improve the credit and financing facilities available to the primary producer, we recommend that warehousing facilities should be provided or organised by the State all over the country to enable the producer to place his produce in such warehouses. We recommend that the charges in connection with these warehouses should be eliminated and borne by general reserve, or, in any event, such charges should be as low as possible. Against the produce thus deposited, a receipt should be given to the producer who should be entitled to raise the money needed on the strength of this receipt.

18. The State will prevent profiteering and control price levels in the interests of the consuming public and of Planned Economy.

19. We recommend the establishment of Consumers' Associations at principal centres, with a view to protect the interests of the consumer in respect to quality, price and weight of goods etc.

In order further to protect the buyer and check the habit of bargaining, we recommend that retail dealers should be made to fix their prices and exhibit them openly.

INSURANCE.

(IV/5).

The Interim Report of the Sub-Committee on Insurance was presented by Sir Chunilal V. Mehta, Chairman of the Sub-Committee, on the 7th May, 1940. Mr. K. S. Ramchandra Iyer, Secretary, Mr. B. K. Shah and Mr. J. C. Setalvad, Members of the Sub-Committee, were also present. Discussion continued on the 8th and 11th May. The following resolutions were tentatively adopted :—

1. In order to organise the National Insurance system on a sound, all-round, nation-wide basis, embracing every contingency having to be insured against, it would be necessary for the State to establish a Central, co-ordinating, national insurance board, which may be an autonomous board appointed by the Government and including representatives of the interests concerned.

Such a Board would not only provide for the management of such of the insurance business as is carried on by the State or any of its representatives directly,

but also for the supervision, control, and regulation of those portions of the insurance business which are under private enterprise, and also for those to which the State becomes a contributory.

This Board will also collect the necessary data and statistics, as also to supervise the technical education of insurance workers.

2. Any scheme of National Insurance must provide for the entire insurance service being organised by indigenous enterprise.

3. Where direct or indirect advantages are enjoyed by non-Indian insurance enterprise as against corresponding Indian enterprise, they must be effectively dealt with.

4. Non-Indian business operating in India should, likewise, be required to reinsure their Indian as well as non-Indian business with the National Insurance Authority in India, on a basis of reciprocity.

5. With a view to make insurance co-extensive with all insurable contingencies as integral part of the Plan, the State should, by legislation or executive action, as the case may be, adopt every device to facilitate such extension and expansion.

6. In order to facilitate extension and expansion of the Mutual and Co-operative system, wherever considerable numbers of people, workers or otherwise, are to be found under more or less homogeneous conditions, every facility should be provided to encourage them to organise as Mutual or Co-operative Societies for Insurance against their common contingencies of life.

7. Regarding para 11 of the Report, we agree that social security should be assured to all classes of workers, but the particular method of assuring it should be decided in co-ordination with the recommendations already made in connection with the Report of the Labour Sub-Committee.

8. Insurance being a necessary service to the public, it is desirable that it should be made available at the cheapest cost possible. In order to bring this about, the cost of acquisition and renewal should be maintained at a reasonably low level, and the multiplicity of middlemen should be avoided.

9. (i) It was desirable to extend the benefits of life insurance to the largest number of people, and to do this as cheaply and efficiently as possible.

(ii) This should not be the monopoly of private enterprise, but private enterprise may continue.

(iii) The State should extend its life insurance scheme, at present confined to government officials, to the public generally, so that its benefits may extend to the mass of the people.

(iv) Thus for amounts within the upper limit fixed by the State for its own life insurance scheme, the State and private enterprise will function jointly ; larger amounts will be dealt with at this stage by private enterprise only.

(v) Co-operative and mutual forms of life and other kinds of insurance, friendly societies and the like, should be encouraged by the State.

(vi) Other forms of insurance, besides life, may continue to be conducted by private enterprise.

(vii) The State should protect and encourage Indian private enterprise as against foreign enterprise in India.

(viii) The question of extending still further the activities of the State in the field of insurance will depend on future results and the experience gained.

RURAL MARKETING AND FINANCE.

I|1

The Final Report of the Rural Marketing and Finance Sub-Committee was presented by Dr. Sudhir Sen, Secretary of the Sub-Committee, on May 9, 1940. The Chairman of the Sub-Committee, the Hon'ble Mr. Ramdas Pantulu, was unable to be present.

Discussion continued on the 11th, 12th and 14th. The following resolutions were passed.

1. The practice of gambling in "futures" markets is objectionable and injurious, and should be put an end to.

2. "Utilisation" industries, e.g. for canning fruits, producing fruit juices, tomato sauce, chutney etc., and "processing" industries, e.g. husking paddy, grinding wheat, curing tobacco, will directly widen the market for many agricultural products and frequently fetch higher net prices. Steps should be taken all over the country to explore the possibilities of developing such industries.

3. Adulteration of food has become a growing menace in this country. The consumer should be better educated to appreciate the purity of foodstuffs, and, if necessary, pay a slightly higher price. In addition, the existing Pure Food Laws should be re-examined and supplemented whenever necessary, and must be strictly enforced so as to stop the evils of food adulteration.

4. *Rural Finance* : The failure to draw a distinction between short-term and long-term finance has been a weak feature in the rural credit system. Suitable institutions for meeting these two types of credit requirements should be developed, and simultaneously steps should be taken to increase the credit worthiness of the cultivator.

5. The growth of co-operative land mortgage banks has been very slow except in Madras, their individual loans are relatively small, while the total volume of their transactions has never been large. The extension of these banks on proper lines can go a long way in meeting the demand of the cultivator for long-term accommodation. It is desirable, however, to supplement co-operative land mortgage banks, with State or State aided banks for dealing with long-term agricultural credit. The credit thus raised should be used for productive purposes.

6. Short-term loans are needed by the cultivator mainly for his seasonal operations and for the marketing and movement of his crops. He should, therefore, be in a position to borrow against the hypothecation of the crop to be raised and against the produce after it has been raised. In order to render crop hypothecation both cheap and easy, the necessary security must be provided by taking such steps, as making it an offence for a cultivator to remove or dispose of hypothecated crops, creating a form of chattel mortgage in respect of the crop in favour of the creditor whose claim will have priority over all others. The creditor in this connection means the State, a co-operative society, or some similar agency controlled by the State.

7. We recommend strongly the establishment of the system of public Warehouses for storing the produce of the cultivator on the lines suggested by this Sub-Committee. The Warehouse receipt may be used as security for obtaining accommodation.

8. We recommend that regional investigations on the problem of Rural Marketing be made on scientific lines. It is also necessary to have more detailed and accurate statistical information than has hitherto been available. Steps should be taken to compile more comprehensive statistics on agriculture (production, consumption, trade etc.), and the appropriate agency for this purpose should be devised.

9. In a planned society, Rural marketing should be organised on the co-operative principle, and eliminate unnecessary transportation of goods. The purchases of rural requirements should also be included in the above organisation.

10. For the transitional stage, we recommend that regulated markets should be extended widely and worked more efficiently in the interest of the cultivators. All dealers in agricultural produce should be licensed in order that their transactions may be controlled.

11. Standardisation and grading of agricultural produce should be introduced, and grading stations under State control established, as quickly as possible. The introduction of standard contracts should be expedited so as to cover the staple products of India. The market news service should be further developed.

12. In view of the fact that the attitude of the Reserve Bank has so far been unhelpful in regard to agricultural credit, we are of the opinion that the powers conferred on the Bank by Sec. 17 of the Reserve Bank of India Act should be utilised immediately to make the financial facilities more easily available to the cultivators.

NATIONAL HOUSING.

VI|1

The Final Report of the Sub-Committee on National Housing, was presented by Mr. S. D. Prabhavalkar, Chairman of the Sub-Committee, on the 10th May 1940. Mr. S. B. Joshi, Jt. Secretary of the Sub-Committee, was present, while the Secretary, Dewan Bahadur V. G. Shete, was unable to attend. Discussion concluded on the same day. The following resolutions were passed.

1. We recommend the creation of statutory authorities namely (i) Central Housing and Planning Board ; (ii) Provincial Housing and Planning Boards. The former will be concerned with general principles, policy, programme, finance, technique, standardisation and research on broad lines. The latter will guide and control all schemes, but not their details. Necessary legislation will be undertaken which will provide for the initiation and execution of the programme. Women's role in National Housing being important, we recommend that they be given adequate representation on these Boards.

2. Rural Housing should be undertaken in co-ordination with rural reconstruction, and should generally be based on ownership, and not tenancy, of the house, and site, the latter on a basis of long lease if ownership is not possible. The programme of such rural housing should be carried out with due regard to the environment as well as the resources of the country, and with such aid from the State as may be necessary. The programme should include particularly the building of *Panchayat Ghars* in villages where community life and cultural activities of the villagers can be developed, including school, library, lecture hall, co-operative store and the like. Adequate equipment for games and sports should also be provided. The Panchayat Ghar should make due provision for the needs of women and children.

The State aid mentioned above should particularly include advice or assistance in matters of village sanitation and skilled labour.

3. Cattle should be accommodated in such a manner that the health of human beings does not suffer and proper sanitary arrangements are provided.

4. Urban housing is to be regarded as a public utility service, the responsibility for which primarily rests with the State. This should not, however, exclude private enterprise, suitably controlled by the State.

5. Definite standards for various types of unit house accommodation shall be laid down by the appropriate authority.

6. The State will make requisite arrangements for financing the Housing programme, if necessary, by loan.

POWER AND FUEL.

11|2

The interim Report of the Power and Fuel Sub-Committee was presented by Dr. Megh Nath Saha, Chairman of the Sub-Committee, on the 12th May 1940. Prof. A. K. Shaha, Secretary of the Sub-Committee was also present. Discussion continued on the 13th May. The following resolutions were passed :

1. We agree with the view that the rates for energy in India are unduly high and power has been very inadequately developed, and this has stood in the way of promotion of industries, particularly electro-chemical and electrothermal ones. This is due to the failure, on the part of the Indian Government, to adopt a National Policy on Power and Fuel, in spite of the suggestions put forward by the Industrial Commission of 1918, and in spite of the world-wide movement for rational and co-ordinated development of power resources in all countries of the world.

2. We recommend that in view of the fundamental importance of power developments, the huge capital investment required, and because it may involve the interests of more than one province or state and for other reasons, the State should develop a definite National Power and Fuel Policy on the following lines:—

- (a) That all power and fuel resources of the country should be regarded as national property, and should be fully conserved, scientifically developed, and utilized, with a view to bringing power, particularly electrical power, at the service of everybody for domestic and industrial use, at the cheapest rate ;
- (b) As the generation and distribution of electricity is a public utility of great importance, the State should ultimately own it and the control and management of it should be exercised by the Electricity Boards, as hereinafter provided for ;
- (c) That the State should take the initiative to bring into existence all future schemes of regional power developments and public power supplies, particularly hydro-electric stations inasmuch as the working of such stations depend on the use of water resources which, however, have multifarious other uses affecting extensive areas, and large populations, e.g. for irrigation and navigation, for drainage and soil conservation ; further because the State alone is in a position

to reconcile and integrate all features of power schemes, financial success, cheap servicing, use over widespread areas ; and land acquisition and settlement of populations ;

- (d) That in view of the limited reserves of coal, which cannot be replenished, and is indispensable for such essential industries as smelting of iron ore, production of synthetic dyes and other essential chemicals and because of the finding of the coal mining committee of 1937, that coal is being mined, processed, and marketed in a very wasteful way, greatly injurious to the interests of the nation as a whole, very strict State control should be exercised on all phases of the coal industry. Further in regions far removed from coal-fields, coal for power production should, as far as possible, be replaced by hydro-electric and other sources.

3. We are of opinion that in order to implement the National Policy on Power, it is necessary to create Provincial Electricity Boards and one Central Electricity Board, and for implementing the National Policy on Fuel, there should be a Central Fuel Board. The Central Electricity Board will co-ordinate the activities of the Provincial Boards and formulate the general national policy. Wherever necessary, two or more Provinces or States may form a Regional Board.

The Central Electricity Board and the Central Fuel Board will work in co-ordination with each other.

The Provincial and Regional Boards shall be statutory bodies which shall be the sole vendors of electricity in bulk, and shall put up, where necessary, special power stations of their own, and shall set up grid systems for the purpose of supplying electricity wherever possible.

The functions of the Electricity Board will be as follows :

- (i) To carry out surveys of the water power resources of India.
- (ii) To examine schemes for the generation and full utilisation of electrical power.
- (iii) To take steps for the progressive reduction of rates, and for this purpose, wherever necessary, to reorganise existing distributing systems.
- (iv) To standardise electrical equipment and practice.

4. *The Hydro-electric Survey of India :*

The Hydro-electric Survey of India should be an all India body with a suitable head-quarters, and should be of the same status as the Trigonometrical and Geological Survey of India, and should work in co-operation with the National Water

Power Resources Commission. Under its direction, survey work should be carried out by provincial agencies wherever possible or by its own staff, when provincial agencies are not available. The survey ought to be undertaken according to the natural hydrological divisions of India, e.g. the Ganges basin, the Indus basin, the Western Ghats, Deccan Plateau. It should be a permanent body like the Royal Water Power Board of Sweden or the Federal Hydrodynamical Survey of Canada. The survey should be carried out in a comprehensive manner, as laid down by the World Power Conference and all records and data should be analysed at the headquarters stations and used for development of power.

5. We favour a policy of electrification of railways.

6. The Indian Electricity Act should be amended to give effect to the policy enunciated in the above resolution.

7. *Coal*: We consider that in the interests of the nation it is imperative that coal mines and the coal mining industry, as well as the oil fields and other sources of natural fuel, should be completely nationalised. This industry should be conducted by a National Fuel Board, with sections for Productions ; Processing, Research and Utilisation ; and Distribution and Marketing and Transport. Research work should be started immediately.

8. *Liquid Fuels* :

- (i) The State should establish a geophysical prospecting department, with modern equipment and a competent staff, and carry on an intensive search for petroleum sources in the country.
- (ii) The development of the Power Alcohol Industry should be encouraged by the State, and all impediments in the way of this development must be removed, as this power alcohol is the most important liquid fuel which can be developed easily from various indigenous agricultural and forest products.
- (iii) Intensive propaganda work should be started to replace kerosene by non-edible vegetable oils, and research should be carried on to devise suitable burners for this purpose.
- (iv) A new orientation to the scheme of soft coke manufacture should be given by making it obligatory for all to recover the by-products for the purpose of further treatment in distillation plants.

HORTICULTURE.

1/7.

The Final Report of the Sub-Committee on Horticulture was presented by Mr. Jabir Ali, Secretary of the Sub-Committee, on the 14th May, 1940.

Dr. G. S. Cheema, Chairman of the Sub-Committee, was unable to be present. Discussion concluded on the same day. The following resolutions were adopted :—

1. The National Planning Committee having considered the Report of the Sub-Committee on Horticulture, record their general agreement with the recommendations made therein. The Committee are of opinion that the present consumption of fruit and green vegetables in India is very low and infrequent, which affects the health of the people considerably. It is necessary, therefore, to increase this consumption, as a part of the regular diet of the people, to such a degree as may be deemed adequate by nutrition experts. For this purpose the people should be educated and encouraged to consume more fruit and green vegetables. The following measures are calculated to achieve this object and are accordingly recommended :

- (i) protecting the fruit grower in India by levying adequate duties on imported fruit ;
- (ii) to set apart sufficient areas of land for the purpose of developing fruit cultivation ;
- (iii) providing cold or other forms of storage (e.g. gas) in markets as well as during transport ;
- (iv) adjusting internal transport rates so that they are in keeping with the ability of the fruit grower and the consumer ;
- (v) extending the system of regulated markets to the trade in fruit ;
- (vi) encouraging the cultivation of fruit and vegetables for personal use ;
- (vii) encouraging, after the local and Indian market has been fully supplied, the export of surplus fruit, or fruit which is the monopoly or speciality of India.

2. Horticulture should be treated as an integral subject in the curricula of agricultural colleges and the Universities, and facilities should be offered for specialised post-graduate study. A Central Horticultural Institute should be established in a suitable place to promote research. This research shall include the question of introducing suitable foreign plants in India and also the development of all seeds required for growing flowers and vegetables, and for medicinal plants, as well as in modern methods of storage.

3. Market gardening for vegetables and flowers should be extended and developed and the industry consisting of the making of essences, attars, oils, etc. should be encouraged to meet progressively the demand of the Indian market.

4. Other industries connected with horticulture e.g. agriculture, sericulture, etc. should also be established or encouraged.

CHAIRMAN'S LETTER ADDRESSED TO THE MEMBERS OF THE
NATIONAL PLANNING COMMITTEE,
DATED THE 15th MAY, 1940

THE NATIONAL PLANNING COMMITTEE

Council Hall Building,
Apollo Bunder,
Bombay.

15th May 1940.

No. 2460

To the Members of the N. P. C. :

Dear Friend,

As you are aware, the National Planning Committee met in their third sessions from the 1st May to the 14th and a great deal of hard work was done. Those of you who did not attend the sessions will get the minutes of the meetings and will be able to find out from them what decisions we arrived at. I am enclosing copy of a letter I am issuing to the Chairmen, Secretaries and members of all sub-committees, giving some further account of the work we have so far done and still have to do.

We are meeting again on the 21st of June 1940. This meeting will be important and I trust that you will attend it. The meeting is likely to last for some time, at least 10 or 12 days.

I would like to draw your attention to the financial burden that we have to bear, and to invite your co-operation in every way to meet this. We are grateful to the Provincial Governments and States who have supported our work so far, and we hope that they will continue to do so, so that this vital work might not suffer for lack of funds.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman.

Encl : 1.

CHAIRMAN'S LETTER ADDRESSED TO THE CHAIRMEN, SECRETARIES AND MEMBERS OF THE SUB-COMMITTEES OF THE NATIONAL PLANNING COMMITTEE, DATED THE 15th MAY, 1940

THE NATIONAL PLANNING COMMITTEE

Tel: 'PLACONAT'

Council Hall Building,
Apollo Bunder,
Bombay.

15th May 1940.

No. 2459

To the Chairmen, Secretaries and Members of the sub-committees of the
National Planning Committee.

Dear Friend,

The third sessions of the National Planning Committee began on the 1st of May and continued till the 14th of May. During these two weeks the Committee worked hard and considered many of the reports that had been presented to it. We came to certain conclusions in regard to these reports. These have been published in the public press and we hope to issue them for your information and for reference in the form of a book soon. These conclusions, taken separately by us in regard to each report, will have to be reviewed by us as a whole so that they may fit in with each other. This process of co-ordination will come at a later stage.

Unfortunately, all the Reports of the sub-committees were not ready for this meeting of the National Planning Committee. Some final reports came to us and some interim reports. It is of urgent importance that those who have not sent in their reports yet must do so early. It is not desirable or possible to hold up the activities of the Planning Committee because one or more sub-committees are not functioning satisfactorily or have not sent in their reports. I would beg of you, therefore, in the event of your sub-committee not having sent the report yet, to see to it that immediate steps are taken in this regard. The National Planning Committee is meeting again on the 21st June, 1940 to consider the remaining sub-committees' reports. Every sub-committee that has not reported so far must send their report before that date, preferably a clear week earlier. If the report cannot be got ready, an interim report embodying the main conclusions should certainly be sent by this date.

At our last sessions the following final reports were disposed of :—

1. Heavy Engineering,
2. Irrigation—Part I of River Training,

3. Animal Husbandry,
4. Population,
5. Labour,
6. Rural Marketing,
7. Housing,
8. Horticulture.

The following interim reports were dealt with :

9. Chemicals,
10. Manufacturing Industries,
11. Currency & Banking,
12. Insurance,
13. Power and Fuel.

We have also received interim reports from the following sub-committees :

1. Mining & Metallurgy,
2. Transport Services,
3. Public Finance,
4. Land Policy,
5. Woman's Role.

Thus we have had final or interim reports from 18 sub-committees so far. 11 remain still to report. These 11 should send their interim or final report by the 15th of June.

Those sub-committees whose interim reports have been considered and resolutions passed, should take note of the National Planning Committee resolutions in regard to their report, and draw up their final report keeping these in view. Those sub-committees whose final reports have been considered and disposed of should finally revise their report for publication in future.

As the work of the Planning Committee proceeds, the vastness of the problem before us becomes more and more evident, and the time required increases. This means greater expenditure. I would beg of you to keep this in mind and not to cast the burden of expenses on the National Planning Committee as far as possible.

As I write this letter events in Europe and elsewhere are marching at lightning speed bringing disasters in their train. We in India are bound to be affected by these. But whatever may happen elsewhere or in India, the work we are doing in the Planning Committee is of essential importance for the future and we should make every effort that it should be carried on and should not suffer. I am grateful

to you for your co-operation in this work and I look forward to the carrying on of this joint effort of so many of us to a successful conclusion.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman.

STATEMENT FOR THE PRESS ISSUED BY THE CHAIRMAN OF THE NATIONAL PLANNING COMMITTEE.

After a fortnight's strenuous sessions, the National Planning Committee concluded its present series of meetings yesterday. We met daily, in the mornings and in the afternoons, and worked hard and I am afraid most of the members were exhausted by this process. I am very grateful to the members and to the representatives of the Provincial Governments and States who attended this sessions, and helped us to hammer out some bits here and there of the planned scheme that we hope to evolve. It has been an intensely interesting experience for me, and I hope it has been for others, to consider all these vital problems not separately by themselves but in relation to a larger whole. The National Planning Committee cannot in the nature of things and with the insufficient data at our disposal prepare a detailed scheme for all forms of national activity. But the Committee has done something which I feel more and more is of vital significance. This feeling has grown upon me during this fortnight's work when we came to grips with our subject. This is the first time in India when these various subjects have been seen as parts of a co-ordinated whole. At any time this is necessary, but to-day when the world, as we have known it, is tumbling all around us, it is doubly essential to keep this picture in our minds so that we may not lose ourselves in trivialities and in chaotic and unplanned development when the time comes. This Planning Committee, I hope, will lay the foundation of the planned India of the future. The super-structure will inevitably come later. But if even the foundation is laid in men's minds a great national task will have been done. In regard to many matters opinions differ very greatly. But it has been a pleasant surprise to me how even those who differ can very often arrive at an agreement when we have a common objective in view. Even when the differences persist, it is worthwhile to pursue our course noting down the differences wherever they exist. If material is ready, various viewpoints represented, and facts collected, decisions can be taken by the State when the time comes.

It must always be borne in mind that we are thinking in terms of a planned society, and, therefore, our recommendations must be taken as a whole and not in bits. Occasionally, of course, some bits might be desirable in themselves and they can be taken separately. Often also it might be injurious just to take one bit and

not the rest as this would break up any equilibrium that may exist without bringing a new equilibrium in its place. Therefore, it must be borne in mind that this scheme must be viewed as a whole. We intend at a later stage to indicate what may be done in the earlier transitional stages, though in the changing order of to-day it is not an easy matter to say much about the present.

We propose, therefore, to carry on our work with vigour, and we are meeting again in full Planning Committee on the 21st June, 1940, to consider the remaining reports of sub-committees. In this work that we are doing we require of course the fullest intelligent co-operation of the public and the press. Ultimately it is not the Committee that will decide the future of India or of its political or economic organisation, but the people of India who will take the final decision. It is for them, therefore, to pay attention to what this Committee is doing. Perhaps one of the most important and desirable consequences of our work is to make people think of planned work and a co-operative society. This thinking has been too rare in the past. In order to reach the public the obvious medium is the press.

We would have liked to take the press and the public into our confidence, about all our work, and we have tried to do so far as we can, but inevitably, our meetings have to take place in private so as to give the fullest opportunity to members to express their opinions. Also it is right and proper that our reports should be submitted to the Congress before we give publicity to all of them. We have, however, given publicity to most of our resolutions dealing with these reports. We hope to print them soon in book form for facilitating reference.

Our work grows as we enter into deeper waters. It takes more time and energy and it costs more. As a matter of fact, the total expenditure of the Planning Committee so far has been relatively small. Compared to the average official committee or Commission which deals with one subject only, our expenditure has been little. With this it must be remembered that we are not dealing with one subject, but with a vast number of vital subjects dealing with every phase of national activity. When this is borne in mind it will be realised how economically we have worked. I am grateful to the Provincial Governments and to the States who have sent us contributions for our work. I trust that in view of this work enlarging itself, and taking more time, they will continue to send some contributions so that this vital work might not suffer for lack of funds.

All of us to-day are inevitably absorbed and oppressed by international happenings and yet in spite of that we cannot and we must not lose our balance or get excited or forget that whatever may happen we have to build up India. In this work of keeping the balance of the public mind, and in making them think of the future of constructive effort, even in the midst of the present destruction, the press can play an important part. I hope, therefore, that they will interest themselves and draw public attention to the various phases of the Planning Committee's

vities. We should welcome public criticism or public suggestions. We want this Planning work to represent not only the scientific approach to the problem but also to mirror the minds of those people who think in India and who care for India's future.

May 15, 1940.

JAWAHARLAL NEHRU
Chairman.

NAMES OF THE MEMBERS, AND OF THOSE INVITED, PRESENT DURING THE JUNE SESSIONS OF THE NATIONAL PLANNING COMMITTEE.

(17 sittings were held in all, morning and evening sittings each day being taken separately. The figures in brackets represent the number of meetings attended by each member.)

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|-----------------------------------|---------------------------------|
| 1. Pandit Jawaharlal Nehru (16). | <i>By invitation :</i> |
| 2. Dr. Megh Nad Saha (15). | |
| 3. K. T. Shah (17). | 17. Nawab Ali Nawaz Jung Baha- |
| 4. A. K. Shaha (17). | dur (2). |
| 5. Dr. Nazir Ahmad (3). | 18. U. N. Mahida (3). |
| 6. Dr. V. S. Dubey (11). | 19. S. P. Agharkar (5). |
| 7. Ambalal Sarabhai (17). | 20. Dr. F. P. Antia (1). |
| 8. N. M. Joshi (1). | 21. Sir Rahimtullah Chinoy (2). |
| 9. Gr. Radha Kamal Mukerjee (17). | 22. S. R. Kantebet (2). |
| 10. Hon. Mr. Shuaib Qureshi (12). | 23. Dr. S. K. Mitra (2). |
| 11. Gulzari Lal Nanda (17). | 24. J. J. Anjaria (1). |
| 12. Mrs. Vijayalaxmi Pandit (8). | 25. Kasturbhai Lalbhai (1). |
| 13. Nityanand Kanungo (15). | 26. E. W. Aryanayakam (4). |
| 14. P. B. Advani (4). | 27. T. Prakasam (3). |
| 15. Dr. C. A. Mehta (5). | |
| 16. K. D. Guha (5). | |

For the full list of Members of the National Planning Committee see page iii of the Hand Book No. 2.

BRIEF ACCOUNT OF THE PROCEEDINGS OF THE FOURTH SESSIONS OF THE NATIONAL PLANNING COMMITTEE HELD IN JUNE 1940.

The fourth sessions of the National Planning Committee began on the 21st of June, 1940, as previously settled. In the unavoidable absence of Pandit Jawaharlal Nehru, Chairman of the National Planning Committee, it was duly proposed that

Shri K. T. Shah should take the chair. The proceedings commenced with Shri K. T. Shah in the chair.

It was noticed that the attendance was rather small. The question was raised whether it would be desirable to carry on the business of the day in the absence of the Chairman, and with such a limited attendance. In reply, the Chairman's telegram as well as his telephonic communication, desiring that the meeting be continued as originally intimated, was placed before the meeting, and the Committee thereupon proceeded with the business of the day.

There was no specific agenda for that day's meeting. In view, however, of the desire expressed by the Chairman of the Sub-Committee on River Training and Irrigation to dispose of his Sub-Committee's Report at the earliest opportunity, the Committee took up consideration of Part II of that report, which had been prepared and submitted to the meeting with draft resolutions framed on the same. General discussion took place, and the meeting adjourned, to resume consideration of this the following day, when it was expected the Chairman would be able to attend.

Pandit Jawaharlal Nehru, Chairman of the National Planning Committee, attended from the second day of the meetings, which were therefrom held continuously twice a day, except on Sundays, when only one sitting took place, from 9 a. m. to 12 noon, and from 2-30 p. m. to 6 p. m., until the 30th of June, 1940, when the sessions concluded.

During these sessions, the National Planning Committee took up for consideration reports of several Sub-Committees, a list of which is given on a later page. Some of these Reports were final, and others of an *ad interim* character. In every case decisions were taken by the National Planning Committee in the form of resolutions as on the previous occasion. These resolutions are printed hereafter in the order in which the Reports were taken up for consideration and disposal by the National Planning Committee.

Several Sub-Committees had, however, so far done nothing in connection with the reference made to them. Some of them had not presented any Report, or not been constituted properly. A list of such Sub-Committees is given below, and the exact stage at which they have arrived is indicated (*Vide* p.36).

The National Planning Committee considered this subject at some length, and the Chairmen or Secretaries of the Sub-Committees, which had already been formed, were requested to report to the National Planning Committee as to when their Reports might be expected. In some cases, intimation has been received to the effect that the Report would be expedited ; and it is hoped that the remainder also, at least such of the Sub-Committees as had been properly constituted already, will finish their deliberations and report at an early date.

During the consideration of some of the Sub-Committees' Reports, it was found that the matter treated by the Sub-Committees concerned required further elucidation or reconsideration, particularly in the light of the decisions taken by the National Planning Committee, on certain points specifically mentioned. These points have been, accordingly, referred to the Sub-Committees concerned. Before the next stage of the work of the National Planning Committee, it is expected that these Sub-Committees will have given further consideration to the points referred to them, and submit their considered opinion or explanation on them, at as early a date as possible.

In the course of their deliberations on this occasion, the National Planning Committee considered certain questions of detail as well as of principle concerning the main plan. A desire was, for instance, expressed that the results of the labours of the various Sub-Committees should be made available to the public; and, accordingly, the National Planning Committee decided that all Sub-Committees be requested to prepare their Reports for the press. Those of them which had already submitted final reports were, therefore, requested to touch up the Report, and furnish such other explanations, opinions, or considerations, as they thought relevant to the matter, for the fullness of the Report, and send in the same at their earliest convenience to the office of the National Planning Committee for publication. Those Sub-Committees, on the other hand, which had submitted only an interim Report, were requested to take early steps to finalise their Reports, and add such further data, or material as they thought necessary for the rounding off of the subject referred to them, and thus making the matter ready for the press. As for Sub-Committees which had taken no steps to prepare and submit their Reports, or which had not been properly constituted yet, measures were taken to see that they were properly formed by adding the necessary complement of members, including secretary or chairman, wherever they were lacking, and to expedite their Reports.

Questions of fundamental principles discussed by the National Planning Committee,—such as those concerned with the ownership and management of means of communication or of forms of natural wealth,—are reflected in the decisions taken by the National Planning Committee on the appropriate Reports, and printed elsewhere in this booklet. Further consideration of the general principles, forming the basis for the draft report of the National Planning Committee itself, is reserved for the next meeting of that body.

As at present arranged, the next sessions of the National Planning Committee are to take place in the fourth week of August. In the interval, it is hoped the decisions so far taken on the Reports of the various Sub-Committees will be collated and correlated, so as to form a connected and consistent background, even if any of them are settled provisionally. The next sittings, therefore, will be occupied with the consideration of these general principles, and also of such Reports

from Sub-Committees as may have been prepared and submitted during the interval.

Shri G. P. Hutheesing, one of the three joint secretaries of the National Planning Committee originally appointed, and the only one now remaining in that office, has offered, as from 1st July, 1940 to forego his honorarium, and serve the Committee in an honorary capacity in view of the meagre finances of the Committee ; and his offer has been accepted by the Committee with thanks.

K. T. SHAH,
Honorary General Secretary

LIST OF THE SUB-COMMITTEES WHOSE REPORTS WERE CONSIDERED DURING THE JUNE SESSIONS OF THE NATIONAL PLANNING COMMITTEE.

Name of the Sub-Committee	Nature of the Report	Date when considered	Resolutions passed see pages ...
1. River Training and Irrigation	Final (Part II)	21-22 June	6-9
2. Soil Conservation and Afforestation	Final	22-23-24 June	9-13
3. Transport Services	Interim	23 June	13-15
4. Public Finance	Interim	24-25 June	15-20
5. Communication	Final	25 June	20-23
6. Trade	Interim	26 June	23-24
7. Mining & Metallurgy	Interim	26-27 June	24-27
8. General Education	Interim	27-28 June	27-33
9. Land Policy, Agricultural Labour & Insurance	Interim	29-30 June	33-34

N. B.—Notes added or reservations made in regard to any of the Resolutions by any individual member of the National Planning Committee represent his personal opinion, and not in a representative capacity. This would also apply to any expression of opinion in the course of discussions by any individual member.

RESOLUTIONS ADOPTED RIVER TRAINING & IRRIGATION SUB-COMMITTEE

1/2

The Final report, Part II, of the River Training & Irrigation Sub-Committee, was presented on the 21st June by Nawab Ali Nawaz Jung Bahadur, Chairman of the Sub-Committee. Mr. U. N. Mahida, Secretary of the Sub-Committee, was also present. Discussion continued on the 22nd June, and the following resolutions were adopted :—

1. Considering the ever-present danger to the social security or life of the people, we feel that flood abatement and protection measures should receive the closest attention. Temporary expedients so far have proved to be of little avail. A very comprehensive policy is called for, and every possible method of the solution of the problem will have to be analysed, as regards its advantages and disadvantages, and examined in respect to its feasibility, its dangers, and its cost.

2. The conclusion we have reached is that flood and famine are two aspects of one and the same problem, viz., the full economic development of the water resources of the country for the service of man. The development of flood-protection policy should, therefore, not be separated from that of the national policy governing water resources in general. We are confident that to harness the resources, so as to secure the greatest public benefits for all purposes to which water can be put, will be not only wise statesmanship but good economics.

3. We find that the policy of haphazard raising of flood banks in defiance of the rights of rivers to have sufficient space for their accommodation has failed to accomplish its design, and experience has shown that this policy has led to disastrous results. We recommend that requisite control be exercised over such harmful constructions, in which due attention has not been paid to the laws of flow.

4. We suggest that there should be a proper planning of settlements, and that the utmost care be exercised in future to prevent commercial developments on land which is not fitted for human occupation.

5. We wish to draw attention to the prime importance of maintaining river systems in efficient working order,—a phase of the problem in which united action on the part of the people and of the State is indispensable. If rivers are to remain efficient flood carriers, such harmful acts as indiscriminate stripping of forests, unnecessary removal of vegetation, improper tilling, extensive grazing, unsuitable drainage, and unduly great abstractions of the low flows of rivers in their upper reaches, should be avoided. It should be realised that the consequences involved by such acts are vast. They lead to flood impetuosity on the one side, and on the other side, to deterioration and decay of rivers, by lowering of the water table and

by flood-plain deposits growing coarser. It is necessary to restore woodlands, to afforest watershed areas, to adopt every other practicable means of detaining water and retarding flow, and to improve the drainage.

6. A matter that needs early attention is the excessive grazing by an animal population out of proportion to what the country can bear without deterioration ; and in this connection we suggest that means be devised for reducing their number by having a more limited and better stock.

Note : A further recommendation of this sub-committee to the effect that "feeding grounds must also be restricted, and the growth of fodder crops and the practice of stall feeding encouraged", should be considered along with the Reports of the Animal Husbandry and Soil Conservation Sub-Committees.

7. With the increase in the human and the animal populations, another problem, viz., that of soil erosion, has assumed enormous proportions, and we suggest the provision of wind-brakes, construction of field embankments and contour trenching as protection against onslaughts from erosion. The appalling waste of valuable top-soil is one of the biggest problems confronting the country.

Note : This subject must be further considered with the report of the Soil Conservation Sub-Committee.

8. We have already suggested "the systematic undertaking of research and investigation to determine the extent and availability of the ground-water supplies, and the relation between their use and depletion". We desire to lay emphasis on this, as the lowering of the water table in certain areas is leading to a gradual increase in the dryness of the ground.

9. To concentrate on flood problems, we consider that a Flood Branch be attached to the Irrigation Department and a Soil Conservation Service be started in the Department of Agriculture.

Note : Their administrative arrangements will, however, have to be co-ordinated with those recommended by the Soil Conservation Sub-Committee.

10. We regard storage of waters, on an extensive scale, as the backbone of successful flood operations, and we are confident that this will be found to be generally practicable, and that on many rivers it can be achieved at a reasonable cost.

11. To enable River Training Works to be carried out effectively, we suggest :—

- (a) that accurate contour surveys be made of the areas liable to floods ;
- (b) that hydrological data be amplified and kept up-to-date ;
- (c) that flood recorders be installed at key points whereby the variation of the surface slope could be recorded automatically ;

- (d) that an intensive study be made of each basin and each problem in that basin ;
- (e) that a record be maintained of the improvement or the deterioration of the rivers and their branches ;
- (f) that early steps be taken towards the clearing up of the water rights between the States interested.

12. We recommend that

- (a) a Department of Hydrographic Survey be established ;
- (b) the Meteorological Department should have a section on Hydrology attached to it, and the service of flood forecasting and warning should be taken up as a matter of paramount importance.

13. The problem of River Training involves many highly complex engineering questions, and, in many phases of it, advance will best be made by research. We therefore recommend the establishment of one or two fully equipped Hydro-Technic Research Institutes, as well as a number of local laboratories dealing with local problems.

14. In the undertaking of river training works, harmonious action between those interested in the waters is essential, so that there may be no misdirection or dissipation of effort. As problems of governmental relations arise in negotiating agreements for the execution of the works, in apportioning costs, etc., river training must be regarded as a federal subject and not left to individual states. The Federal Government should also participate in the appropriations needed for flood protection. These are as essential to the general welfare as appropriations for famine relief, and they are, therefore, just as necessary for the State to undertake.

15. To deal with the problems in each major river basin, more especially those subject to frequent floods, we consider it necessary to have a Statutory Authority on the lines of the Tennessee Valley Authority in the U. S. A.

Note : This would especially apply to the Ganges and Indus, and possibly to the Mahanadi, rivers.

SOIL CONSERVATION AND AFFORESTATION SUB-COMMITTEE.

1|3

The final report of the Sub-Committee on Soil Conservation and Afforestation was, in the unavoidable absence of the Chairman of the Sub-Committee, Prof. J. N. Mukherjee, presented by Prof. S. P. Agharkar, Secretary of the Sub-Committee on the 22nd June. Discussion continued on the 23rd and 24th June, and the following resolutions were passed.

1. Soils and Forests constitute a national heritage. On their successful conservation depend the present and the future of the nation. The State must, therefore, step in and accept responsibility for their conservation.

2. The problems of conservation of soils and forests must be treated as a whole. For this purpose, the system of land utilisation as it obtains at present requires the closest investigation. A land utilisation survey should be conducted by a body of experts, and land utilisation maps prepared on the basis of the information gathered. The position should be reviewed every ten years with a view to watch and regulate where necessary the trend of changes in land utilisation.

3. Official statistics show that out of about 827 million acres of the land area, 173 million acres are "cultivable waste, other than fallow", 61 millions as "current fallow", and 183 millions as "not available for cultivation". One of the most important of the problems which should be tackled by the surveys proposed above and the Land Development Board (mentioned below) is to determine :

- (a) the area actually available for utilisation, under the head "cultivable waste other than fallow" and "current fallow" ;
- (b) the conditions under which it could be utilised ;
- and (c) the causes why so large a proportion is classified as "cultivable waste, other than fallow".

4. The information regarding land utilisation, for example, that given in "The Agricultural Statistics of India", though useful for some purposes, is not of much help for Planning. The collection of necessary and adequate statistical data should, therefore, be the first item in the programme of Soil Conservation.

5. For the purposes of coordination and working out of programmes of conservation, a statutory organisation, to be called the Land Development Board, should be established both at the centre, in the provinces and States. The provincial and State organisations should look after the local aspects and the organisation at the centre should take up matters of interest to more than one province. This will serve the purpose of coordinating all efforts for conservation of soils and forests and enable the problems to be visualised and grappled as a whole.

6. The Central Land Development Board should deal with :

- (a) Soil Conservation including soil surveys, soil maps, soil fertility and land reclamation ;
- (b) Anti-erosion measures ;
- (c) Afforestation, reafforestation and improvement of existing forests ; and
- (d) Land utilisation and coordination.

Other connected subjects, such as, irrigation and drainage, crop production, grass lands and pastures, industrial utilisation of agricultural and forest produce, and marketing of produce from the land, should be dealt with in consultation and co-operation with corresponding organisations.

Among the functions of this Board will be :

- (i) Preparation of soil maps of India after necessary surveys ;
- (ii) Correlation of results of manurial and varietal trials in selected areas with types of soils, agricultural practice, and land reclamation ;
- (iii) A complete erosion survey.

7. The whole area in a Province or a State should be divided into physiographic units, each having a coordinated programme of soil conservation suited for its special needs. The programme to be followed should be based on thorough investigation and research in typical localities.

8. There should be a Central Institute for the study of soil problems, and especially those of erosion.

9. There should be provision for a fully equipped research station in each of the different soil areas for soil and silvi-cultural research and developmental utilisation.

10. Adequate facilities should be provided for training in forestry and agriculture in the universities and technical institutes, especially with a view to making the results available to the public.

11. One of the most striking features of the present utilisation of the total available area is the small proportion devoted to village or minor forests, grasses, legumes, and other soil-conserving crops, pastures, fruit and other trees, to meet the needs of the rural communities for food, fodder, fuel, timber etc. A policy of well-distributed afforestation, especially with reference to village or minor forests, should be pursued by the State, in particular with regard to those lands which have been thrown out of cultivation or which are at present regarded as culturable waste and can be reclaimed.

12. *Soil Erosion* :—

- (i) Shifting cultivation must be controlled or eliminated, as also breaking of virgin forest land. Contour ridging, terracing and levelling of fields and other measures required for the control of erosion should be encouraged by means of remission of land revenue, education and propaganda.

- (ii) Cooperative activities should be enlarged to include land reclamation, village afforestation and forest management.
- (iii) Afforestation work should be extended in the plains with a view to provide—(a) shelter belts, (b) fodder trees, (c) hedgerow timber, and (d) fuel supply.

13. *Reclamation* : Vast stretches of saline and alkaline soils, sand deposits, arid and semi-arid soils, swamps and other types of water logged soils, ravines and soils afflicted by defects not covered by the above, are known to exist in the country. It is necessary in the first place to provisionally classify these soils according to their more obvious characteristics and to obtain a broad idea of their extent of occurrence. This should form part of the survey programme. Projects of reclamation should be based on careful research in which all scientific aspects should be taken into consideration.

14. *Soil Moisture* : Improvements in agriculture and soils should be made through the regulation of water-supply, conservation of soil moisture, and drainage, and all necessary information for this should be gathered through the surveys contemplated. The extent and causes of water logging and remedial measures should be studied in detail.

15. *Soil Fertility* : Agriculture should be so planned as to maintain soil fertility at its optimum level. The suggestions made by the Sub-Committee in this behalf deserve consideration more particularly those dealing with the conservation of organic matter and the cheapening of fertilisers.

16. *Forests* : Forests must be preserved as a national heritage, and Forestry should be judged by the long-term financial results rather than the immediate surplus.

17. The following measures are especially recommended for protecting and improving the forest wealth of the country :—

- (i) In Provinces or States where there is no special “working plans branch” such a branch should be established, as such working plans are the essence of forest management.
- (ii) Control of grazing, control of fire, contour trenching, and gully plugging.

The general position in privately-owned forests is unsatisfactory. Such forests should, therefore, be acquired by the State or strictly controlled by the State in the public interest.

18. Forests should be developed and worked with a view to produce the raw materials for the following, among other, industries ;

- (1) Timber, particularly teak.
- (2) Paper, including newsprint, packing and wrapping papers, 'kraft' papers, strawboards.
- (3) Insulation boards and similar other materials.
- (4) Rayon.
- (5) Plywood and veneers.
- (6) Matches and pencils.
- (7) Machine and tool parts made of wood.
- (8) Lac for gramophone records, electrical insulation, plastics.
- (9) Resins and varnishes.
- (10) Essential oils.
- (11) Tanning materials.
- (12) Medicinal plants.
- (13) Wood and charcoal to produce gas for internal combustion engines.
- (14) Dyes.

19. Forest cottage industries should be encouraged and the possibilities for these should be investigated. (e.g. rope-making, baskets, wicker-work, toys, etc.)

20. *Capacity of forest to furnish employment*: The census returns of 1931 show that directly or indirectly the forests offer employment to about 2,000,000 people in British India alone. With more efficient utilisation of forest resources, it should be possible to find employment for a much larger number.

21. *Wild Life Sanctuaries*: This Committee considers that the organised large-scale hunts, with the help of hundreds of beaters, are not only inhuman, but are leading to the extinction of valuable wild life in the jungles and should be disallowed. For the protection and preservation of wild life in the jungles, national parks and sanctuaries should be established in various parts of the country.

22. *Communications*: Out of the total area of 125,000 sq. miles of State forests, 54,000 sq. miles, that is 43%, are either inaccessible or profitless. It is urgently necessary to provide suitable means of communications, rail and ropeways, roads, waterways and paths, as otherwise fuller development of our forest resources will not be possible. Freight rates on forest produce are generally too high and should be reduced.

23. *Fires*: Effective measures should be taken to minimise damage from forest fires, and for this purpose a Fire Protection Section of the Forest Department is recommended.

TRANSPORT SERVICES SUB-COMMITTEE.

V|1

The Interim Report of the Transport Services Sub-Committee was, in the unavoidable absence of Dr. D. R. Gadgil, Chairman of the Sub-Committee, presented by Dr. F. P. Antia, Secretary of the Sub-Committee on the 23rd June. Discussion concluded the same day, and the following resolutions were passed :—

1. The transport facilities of various kinds available in this country compare unfavourably with the corresponding facilities in modern industrialised communities, with due regard to their area, population, and productive efficiency.

2. Considering each of these forms of transport service in India, though in general the railways may be said to meet the present traffic demands upon them, there is room for internal economics in the working of the railways, and better adjustment of the available traffic suitable for Planned Economy.

3. Under Planned Economy both these requirements of the railway service will have to be examined before any programme of railway expansion can be considered. The Planning Authority will have to distribute the available traffic, so that the fullest utilisation is made of the existing track, rolling stock, terminal facilities, and ancillary services of the railways.

4. Assuming that Planned Economy results in an increase of the total volume of goods and passengers having to be moved by railway; it will be a part of the functions of the executive authority charged with carrying out the plan, to determine how this extra traffic in goods and passengers should be apportioned as between the railways and other means of transport.

5. As regards the roads, the present mileage of all motorable roads, metalled and unmetalled, compares unfavourably with the corresponding facilities in modern industrialised countries. In view of the relative economy of road transport for comparatively small scale production, and short hauls,—both characteristics of Indian economy today,—the Planning Authority will have to examine the possibility of developing the road service as an alternative or supplementary, to the railway carriage.

6. Roads, to be useful for efficient transport service as an integral part of the planned programme, will have to be considered, not only as national highways, but provincial as well as local means of transport and communication. One of the most considerable handicaps of the existing economy in India is the lack of cheap and adequate transport service in rural areas, which, it is considered, is likely to be provided by a better development and use of the roads as between the villages as also those connecting the villages with markets. The National Planning Authority must, accordingly, devise means to provide this form of transport

in every region considered to be the unit for this purpose, in the planned programme.

7. Another handicap for an adequate development of road as well as railway services is the absence of the necessary manufacturing industries for the production of locomotives, automobiles, wagons and coaches, their parts and accessories, within the country. The Planning Authority must attend to the establishment as soon as possible of the necessary industries in this regard.

8. Apportionment of the traffic between roads, railways, waterways, inland and coastal, and airways will have to be determined by the National Planning Authority with due regard to the interests of the producers and the consumers, in each case, as also to the cost of carriage involved. This means that each of these forms of transport has its appropriate field of service, which, though not exclusive, may yet be regarded as its proper sphere within which it may render the best service and produce the utmost economy.

9. Facilities for inland waterways in the shape of perennial rivers and navigation canals based upon them, though abundant in some parts of the country, have not been utilised as fully as they might have been, mainly because of the competition of the railways. This competition went on unchecked ever since the Railways came into being because of the financial stake of the State in the commercial success of the Railways. It is necessary that these facilities for inland waterways should be fully developed.

10. The volume of traffic, both in goods and passengers, carried by coastal ships in Indian coastal waters, is very considerable, both in value and in quantity. But the Indian share in carrying this traffic is comparatively insignificant, and of very recent date, owing to the handicaps placed by the foreign vested interests in this sphere. All coastal traffic must be reserved for national shipping.

11. India has a very considerable volume of foreign seaborne trade, passenger traffic and mails. An Indian National Mercantile Marine is, therefore, urgently needed and should be developed. A modern ship-building industry, along with its auxiliary industries, should be established as early as possible. India should be self-sufficient in regard to all her shipping requirements and should not depend on foreign shipping services.

The National Planning Committee was of opinion that the Transport Services Sub-Committee should consider, for the purposes of their final report,

- (i) The question of the transport services from the point of view not merely of economic return but also of aiding in the task of national development and social well-being of the community.
- (ii) The organisation for the central control and co-ordination of the transport services.

- (iii) Animal transport, especially for purposes of rural communications, and the development of cheap village roads.
- (iv) The use of trolley buses where electric power is available.

PUBLIC FINANCE SUB-COMMITTEE.

IV|3.

The Interim Report of the Public Finance Sub-Committee was presented by the Chairman of the Sub-Committee, Shri K. T. Shah on the 24th June. There was a minute of dissent by Mr. A. D. Shroff, which was read out by the Chairman, National Planning Committee. Discussion continued on the 25th June.

The Chairman of the Public Finance Sub-Committee informed the N. P. C. that the Report was agreed to by five members of the sub-committee, namely, Dr. D. R. Gadgil, Prof. C. N. Vakil, Prof. Gyan Chand, Dr. J. P. Niyogi and himself, who were all present at the meetings of the Sub-Committee at Allahabad. Messrs. Qureshi, Thomas and Venkatarangaiya had not been present, and they had not, so far, expressed their approval or disapproval.

He then explained the main features of the Report. In answer to questions, he stated that it was not possible for his Sub-Committee to give estimates of income and expenditure under this plan, as this would depend on the norms laid down by the N. P. C. and the general policy of the State. If these norms were laid down, then an attempt could be made to give these estimates. Shri K. T. Shah was requested to prepare a note, on his own behalf, giving these estimates on the basis of the decisions of the National Planning Committee so far taken.

The following resolutions were then adopted :

1. *Expenditure :*

1. In the present system of Public Expenditure there is considerable room for retrenchment by means of :

- a. Reconsideration of the governing policy regarding nature and object, strength and equipment of certain services like Defence or charge in connection with public debt ;
- b. Reduction in the scales of rates of pay, pensions and allowances to Public Servants, in all departments, in the higher ranks. In conformity with the basic principle of the Plan, and in fairness to the large army of the lower paid public servants, a minimum living wage will also have to be fixed in all departments and ranks of the Public Service ;

- c. Revision of the basis for fixing the strength and requirements of Public Service and in improving its efficiency in each department, and for leave rules, particularly in the higher services.

2. All savings effected by revision, reduction or retrenchment are likely to be only a fraction of the expenditure needed for :

- a. Extending and widening the scope, direction, and volume of existing Public Services, including National Defence ;
- b. Increase in the number, variety, and intensity of public activities, e.g. Education ;
- c. Improvement of the basic minimum pay and conditions of service of the lower subordinate staffs.

3. For extending, widening, or increasing the scope, volume, or number of public services or activities, definite norms will have to be laid down by the Planning Authorities, and finance would have to be provided in accordance with the same, with due regard to economy and efficiency.

4. In public utility services, though commercial principles may not be applicable in all cases, thorough-going check and control by way of efficient audit is indispensable in regard to all items of expenditure and output of work and value received.

5. Capital investment in utilities, services, or agricultural, industrial or commercial enterprise, must be kept apart from those of recurrent expenditure.

6. Against capital investment made out of borrowed funds, adequate provision must be made from the start for a complete liquidation of the obligation incurred, including interest, and the replacement or renewal, without incurring fresh obligations on that account, of the plant, machinery, stock or buildings requiring such investment, within a definite period. Adequate provision should also be made, by way of depreciation, for replacement or renewal of the plant, machinery or buildings, required for such undertakings.

7. No interference should be allowed with the provision made under the preceding head, and no transfer or borrowing permitted from this account to meet current losses or deficit in the ordinary budget.

8. Exception may, however, be made under specific rules to allow borrowings from these Reserve, Replacement sinking funds, for capital investment in the extension or expansion of the same utility, service or enterprise, or for similar purposes in cognate utility, enterprise, or service, provided that full provision is made for the repayment and liquidation in full of such loans within a definite predetermined period.

9. When Provincial Governments delegate to the Local Authorities under them functions and assign sources of revenue, they shall do so under proper financial and administrative control.

II. *Revenue* :

10. The aggregate volume of Public Expenditure—national, provincial, and local—collectively as well as severally,—would have to be very considerably increased in order to meet all the requirements of the Plan. Revenues, would have, therefore, to be increased proportionately.

11. For the effective execution of a comprehensive Plan, it would be necessary to increase the contribution from the several forms of Public Enterprise, including a thorough exploitation of the Public domain in lands, mines, forests, and the like, so as increasingly to supplement the revenues derived from taxation, direct or indirect.

12. The production and supply of all utilities and services, which are of a national as well as a monopolistic character, should be carried on by the public authorities ; and the net surplus, if any, derived therefrom be appropriated as current revenue. The interest of consumers of each service or utility should be duly taken into account, particularly by the monopolistic undertakings.

Note : Mr. Ambalal Sarabhai desired it to be noted that while he agreed with the first part of this resolution, he was not agreeable to the surplus being appropriated as current revenue. This should not be the objective in view.

13. In regard to public utilities and services, the ideal of service to the largest number at the lowest cost, should be kept in view. Nevertheless, because of the economies possible under large-scale production and efficient management in all-round co-ordination, a net surplus or profit will probably accrue, and this should go to the public revenues.

Note : Mr. Ambalal Sarabhai, though he was in favour of nationalisation, doubts if it would be more economical or more efficient.

The sub-committee had recommended that industries concerned with the provision of the main plant, machinery fittings and basic raw materials for the production and supply of nationalised utilities and services should be conducted as collective national enterprises. Further that all key industries ('mother' as well as 'vital' industries) should be progressively nationalised and administered by a statutory corporation created for the purpose. Private enterprises, so acquired, should be paid just and proper compensation.

The N. P. C. had so far decided that key industries should be owned or controlled by the State, the control being strict in the case of key industries. The possibility of such industries not being owned by the State but controlled by it

has thus not been ruled out. This question had been left for future consideration when more data were placed before the Committee for any further decision that it might take.

It was pointed out on behalf of the Public Finance Sub-Committee, that apart from other considerations, questions of finance and the necessity for increasing revenue for the nation-building activities of the State made it essential for their being merely controlled should be ruled out.

The N. P. C. was of opinion that as this raised a question of fundamental principle, and the argument of revenue had not been previously placed before it, the whole question should be considered by it at a later stage when basic questions of policy were considered.

The Public Finance Sub-Committee had further recommended that in allocating items of public expenditure, as far as possible all items of nation-building, service-rendering, and wealth-producing character should be entrusted to the Provincial Governments and sources of revenue, adequate for these purposes, assigned to them. Incomes from direct taxation on income, excess profits, and inheritance taxes, it was recommended, should also be assigned to the Provincial Governments.

The National Planning Committee referred back this last recommendation to the Sub-Committee for reconsideration and fuller examination.

14. For the full consummation of the complete Plan, direct taxes on Incomes, or Excess Profits, or on property like Estate Duties, Death Duties, Land Increment Values, should be developed by increase in rates on a steeply graduated scale. In levying taxation, the principle of redistribution of the burden of taxation in accordance with the taxable capacity should be given effect to.

Note : It was proposed to add the principle of differentiation between earned and unearned incomes also. Pending a clearer definition of unearned incomes, this addition was postponed.

15. In a comprehensive Plan, Land Revenue should be charged according to the principle governing Income-Tax, with proper safeguards for exempting a basic minimum, and providing a graduated scale of taxation. It must be a wholly provincial source of revenue.

16. Taxes on house property, or urban land, on trades and professions, and the revenue from municipal and local licence duty, should ordinarily be assigned to local authorities.

17. All customs duties should be assigned to the Central Government exclusively. The question of excise duties requires further consideration, and was

referred back to the sub-committee. If excise duties are to be levied, this should be done only by the Central Government.

Note : Mr. Ambalal Sarabhai wanted it to be noted that, in his opinion, Excise Duties on essentials of life are undesirable.

Salt duty : As the Sub-Committee had made no recommendation about, or reference to, the Salt Duty, the National Planning Committee decided to ask them to consider this question from the economic as well as other aspects, and to report.

18. Adequate provision should be made for relief from double taxation within the country itself, as between units and units, and a unit and the centre.

19. *Credit :* Adequate credit facilities must be placed at the disposal of every governing authority—local or provincial—to facilitate their undertaking productive enterprise left in their charge with proper regulations for the safeguard of public credit. In the case of local bodies an adequate control must be exercised by the Provincial Government. A National Investment Board must be established, through which alone, public borrowing for such purposes as may be indicated in the Plan may be undertaken. This Board must work in close co-operation with the Central Banking Authority.

Note : Mr. Ambalal Sarabhai, Mr. Advani, and Prof. R. K. Mukerjee were of opinion that the Central Banking Authority should itself do this work directly.

20. *Accounts :* Independent Audit for the accounts of all governmental bodies and statutory corporations should be provided, in addition to local and internal audit.

COMMUNICATION SERVICES SUB-COMMITTEE.

(V|2).

The Report of the Communication Services Sub-Committee was presented by Sir Rahimtullah Chinoy, Chairman of the Sub-Committee on the 25th June. Dr. S. K. Mitra, Secretary of the Sub-Committee gave a brief account of the Report. Discussion concluded the same day.

The following resolutions were adopted :

1. *Policy :* Communications and broadcasting as public utility services affecting the well-being of the community and are at present under State Control. They should be public monopolies, and should be run on commercial lines, and developed intensively, subject to the paramount consideration that they are social services, and as such powerful agents in the task of national development.

2. *Telegraphs* : In view of the fact that the Telegraph is the cheapest means of quick communication and is indispensable for the rural population and also because development of industries and internal trade is bound to be followed by a demand for increased facilities for telegraphs, we propose that, to make the service more accessible, the number of Telegraph Offices be increased from the existing 3 per 1,00,000 persons to 5 per 1,00,000 in course of next ten years.

3. *Telephones* :

- (a) In view of the expected developments of electrical power schemes, growth of industries, and expansion of trade and commerce, steps be taken to increase the number of telephones from 1 per 4,000 to 1 per 1,500 persons.
- (b) All future installations of local telephone exchanges should generally be of the automatic type in preference to the manual type.

4. *Radio Communications* :

- (a) Considering that radio direction finding and associated services specially in connection with aviation have been a source of profit in recent years and that the demand for this is bound to increase owing to the anticipated development in aviation and shipping services, an increase of Radio Stations from 34 to 50 should take place in the course of the next ten years.
- (b) The existing departmental commercial radio telegraph channels though in demand by the public are not equipped to deal with large traffic, and in the near future provision will have to be made for new radio telegraph channels, for instance, between India and Malay States, India and the near East, India and African countries. The total number of commercial radio telegraph channels should be increased to at least three times the present number.
- (c) It will be necessary to open a few short-wave and ultra-short wave radio telephone links, the former for connecting up Indian subscribers with those in nearby countries, and the latter for working in association with the trunk system of the country across large river-crossings, marshy regions, etc.

- 5. (i) A section for survey and development of Electrical Communication Service should be established, whose function would be to carry out a detailed survey of the needs of electrical communication of the various areas concerned and also to carry on publicity and propaganda work for creating demand.
- (ii) The work of this section in the different administrative divisions

shall be co-ordinated by a Central Organisation at the head-quarter of the Post and Telegraph Department.

6. *Postal Service :*

- (a) It is anticipated that as a result of National Planning there will be substantial increase of literacy and industrial and commercial enterprises, and that there will be increased demand for postal facilities. It is, therefore, proposed that the number of Post Offices and Letter Boxes be increased approximately to double their present number, the increase being proportionately more in rural areas.
- (b) In view of the fact that the Post Office can be an effective agency for spreading information about health, agriculture, and current events, and thus contribute to rural uplift, the administrative machinery should be so strengthened as to enable the Post Office to come into closer contact with the public and meet an ever widening circle of their needs.

7. *Radio Broadcasting :*

- (a) A fuller and more intensive use of broadcasting should be made for dissemination of news and useful information, education generally and more particularly adult education, publicity for social reform and progressive measures, and entertainment.
- (b) In order to make the Broadcasting Service more effective, it is necessary that the number of transmitters be considerably increased and steps be taken to increase largely the number of receivers. The Sub-Committee recommends that, for this purpose, the number of medium-wave transmitters be increased to 31 consisting of 10 of 20 KW and 21 of 5 KW aerial power.
- (c) The number of centres for relaying programmes should be increased from 8 to 20.
- (d) In view of the low average earnings of the people, steps should be taken to bring down the price of receivers to within the reach of much larger numbers. A drive should be made to increase the number of sets from 3 per 10,000 to at least 3 per 1,000 in the course of the next ten years.
- (e) Communication receivers should be installed in villages for the benefit of the rural population.
- (f) The suggestion that the Central Broadcasting Organisation should introduce a system of providing receiver sets on hire is worthy of consideration.

- (g) There should be a statutory corporation for radio broadcasting, and an advisory council, consisting of representatives of the public and experts, should be attached to it. In this connection the scheme of organisation given in the Report is deserving of consideration.

8. *Research* : A central research organisation for the Electrical Communication Service and Radio Broadcasting Service should be established under the Department of Communications of the Central Government.

9. *Manufacture* : We consider that it is absolutely necessary that the materials and components needed for the electrical communication service should be manufactured in India. For this purpose investigations should be undertaken by Government to find out how far the materials available in India are suitable. The existing workshops at Alipore and Calcutta should be utilised fully for this production, and such additional steps should be taken as may be considered necessary.

10. *Training Facilities* : In order to provide the requisite training facilities for Indian students as well as Government employees selected for the purpose, steps should be taken to ensure that overseas as well as Indian firms, with whom Government orders for stores are placed, shall afford all such facilities in their factories, workshops and laboratories. This may be secured by a specific clause in such contracts. Arrangements should also be made to provide suitable employment for such trained personnel after they have finished their training.

11. The N. P. C. agrees with the Sub-Committee that the financial policy in regard to these services should be a liberal one and not based exclusively on a calculation of profit and loss. The social aspect of these services must always be borne in mind. In this connection the financial recommendations of the Sub-Committee are deserving of consideration.

[It was pointed out that, in the terms of reference of the Communication Services Sub-Committee, Tourist Traffic, etc., had also been included, but the Sub-Committee had felt that this did not fall within their province. The N. P. C. agreed to this. It was felt however that the subject was an important one and should be dealt with separately. Mr. Ambalal Sarabhai was asked to draft a resolution on it.]

TRADE SUB-COMMITTEE.

IV|1

The trade Sub-Committee's Report had been put down on the agenda for the meeting of the National Planning Committee on the 26th June. But it was stated that the Report dealing with Internal Trade, though ready, had not so far been duplicated and circulated among the members. Certain draft resolutions dealing with Internal Trade were, however, ready. It was decided, however, that the

whole subject, which was of great importance, should be considered fully at a later stage, when the full Report was complete and had been circulated.

At the request of the National Planning Committee however, Shri Kasturbhai Lalbhai, Chairman of the Sub-Committee, gave a brief account of the Report. He pointed out how internal trade was of far greater importance than external trade.

The National Planning Committee desired to emphasise the directions previously issued in the Note for the Guidance of Sub-Committees (paragraphs 9 and 19 Handbook No. 1, p. 79 and 81). Paragraph 19 should apply not only to industrial development but to other development also. The following resolutions were also passed :

1. i. Owing to the size of the country and the population, the geographical distribution of various crops and minerals, the internal trade of our country is even today far larger than our foreign trade and will be more so in future.
- ii. Owing to this fact, it will play a more vital part in our economic life and must be planned and fostered to contribute to our national well-being.
2. i. An essential step in such a direction is the realisation of the fact that our provinces are economically inter-dependent, and can advance only together and not against each other.
- ii. In framing any measures of local economic development, the broader background of the necessity of a corresponding well being in other parts of the country should always be kept in mind.
3. An immediate attempt should be made to collect and collate the statistics relating to the internal trade.

MINING AND METALLURGY SUB-COMMITTEE.

(II|4)

The Report of the Mining and Metallurgy Sub-Committee was presented by Dr. V. S. Dubey, Secretary of the Sub-Committee, on the 26th June in the unavoidable absence of its chairman, Prof. D. N. Wadia. Discussion continued on the 29th June.

The following resolutions were passed :

The mineral wealth of the country belongs to the community collectively. The exploitation of minerals and development of mining and mineral industries should be reserved exclusively to be carried on as public enterprise.

2. The mineral wealth is of vital importance to the nation. Most of the material imported at present, like metals, machinery, etc., is manufactured out of mineral raw materials. But sufficient attention has not been paid so far to the development of this mineral wealth.

Non- Metals :

3. (a) The country is well endowed in regard to the majority of non-metallic minerals, but most of the industries requiring these raw materials have not been developed. Most of the articles made from these minerals, and which are imported at present from abroad, can be manufactured in India.
- (b) The only important raw materials imported at present are salt and sulphur. Salt can be easily prepared in any amount in the country. Every effort should be made to find out if there are sulphur deposits in India. Attempts should also be made to manufacture sulphur or sulphuric acid directly out of gypsum, pyrites or other raw materials available in India.
- (c) Scrap mica, which is being wasted at present, can be utilised in various ways, and attempts should be made to do so.

4. Raw materials for nitrogen fertilisers, as well as to some extent for other types of fertilisers, are available in India. The synthetic fertiliser industry should therefore be started as recommended in resolution 3 (Red Book II, page 41) dealing with Chemical Industries.

Metals :

5. India has large deposits of iron ore, manganese, chrome bauxite and other metals. Except in the case of iron and steel, these resources have not been developed. These industries are essential for the general industrialisation of the country, as well as for defence.

6. Other metals, except copper and gold to some extent, are not being produced in India. Both copper and gold are being exploited by non-Indian concerns. An organised search for deposits of all such metals, which are so far lacking in India, should be made.

7. Restriction should be imposed on the export of ores of national importance, such as manganese, mica, ilmenite, etc. A definite policy should be laid down in respect of minerals of which India has a virtual monopoly, or of which she has a supply in excess of her requirements.

Fuels :

In regard to fuels the National Planning Committee has already passed resolutions when considering the report of the Power and Fuel Sub-Committee (Red Book II, p. 65, 67 No. 2 (d) and 8).

Survey and Supervision :

8. The Central Geological Survey Department should carry out a thorough and complete survey of the mineral resources of India in all parts of the country, and should, for this purpose, be extended and adequately strengthened with expert staff.

9. The exploitation of minerals should be under the supervision of a Central Council for mining and mineral industry.

Waste :

10. The question of waste in the methods of mining and recovery of materials is very important in India. A detailed study of waste in various kinds of mining should be made by an expert committee and steps taken for its avoidance. Wherever possible this waste should be stopped immediately.

11. In view of the fundamental principle of the National Planning Committee's policy that all mineral wealth in this country belongs to the community collectively, and is to be exploited and developed as public enterprise, the problem of taxing, mining and metallurgical industries would not arise when the Plan we envisage comes into effect. Pending, however, the necessary readjustments as between that policy being given effect to and the present position of concessionaires, taxation may have to be imposed on the concession, the production, the marketing and the profits of such industry.

Rules :

12. The existing rules and regulations regarding mining and prospecting are highly unsatisfactory, and should be revised, especially in regard to inspection of mining plant and working practices, so as to ensure the safety of workers, adequacy of plant, and efficiency of production. Indian nationals should be trained in sufficient numbers for all types of work, so as to be able to replace the foreign personnel now employed, within a short time.

Freight : The National Planning Committee has already passed a resolution (vide Red Book II, p. 45, No. 21) regarding freight charges on railways, which would apply to freight on such heavy raw materials as minerals. In order, however, to give a comprehensive consideration to the question of transport charges in general, the entire problem be referred to the Transport Sub-Committee for closer examination and report on the principles which should govern it.

Tariff: The suggestions that the Sub-Committee have made in regard to tariff on minerals should be considered when the general tariff policy is considered.

Minerals used for Defence: Under clause (c) of this Sub-Committee's terms of reference, a classification was desired of mineral resources essential for national defence and those that were non-essential. The Sub-Committee is requested to deal with this reference in their final report.

GENERAL EDUCATION SUB-COMMITTEE.

(VII|1)

The Interim Report of the General Education Sub-Committee was presented by Shri E. W. Aryanayakam, Secretary of the Sub-Committee, on the 27th June, in the unavoidable absence of its Chairman, Prof. Sir S. Radhakrishnan. Shri Aryanayakam gave a brief account of the Report, and of the Basic Scheme of Education. It was pointed out that the sections dealing with Intermediate and University education had not so far been dealt with. Discussion continued on the 28th June.

There was considerable discussion about the nursery stage of education and the desirability of making provision for it from the earliest age, as also about compulsion being introduced even for the pre-Basic stage. Shri Aryanayakam made it clear that his Committee would welcome the extension of nursery schools, provided that they were entirely optional. He was opposed to any compulsion before seven. The real difficulty was the lack of resources in finance and qualified teachers. Special provision might be made for the small children and women working in factories.

The following resolutions were passed:

Pre-Basic Education:

1. The Committee is of opinion that the State should make suitable provision for the training of the children of the community from the earliest stage. It realises, however, that such provision on an adequate scale is exceedingly difficult in the near future owing to lack of trained teachers and paucity of funds and other resources. Nevertheless the Committee desires to lay stress on the importance of the pre-Basic stage of education, and makes the recommendations given below to be given effect to progressively during the first ten years. The Committee would welcome an application of this pre-Basic stage for children of under five years of age wherever and whenever circumstances permit.

2. Pre-Basic education should be optional. Compulsion should be introduced at the initial age of basic education.

3. Pre-Basic education should cover a period of two years prior to the period of basic education.

4. The fundamental principles guiding the scheme of pre-basic education should be that every child between the age of five and seven should, wherever necessary and whenever adequate arrangements cannot be made at home, have full facilities for a free and all-round development, both physical and mental, in pre-basic schools.

Note : The age limit of five may be reduced to three wherever considered desirable.

5. The programme of pre-basic education should consist of :

- (a) Meals : Every pre-basic school should make adequate provision for nourishment of school children, during school hours.
- (b) Medical care : The ideal of pre-basic education should be that every child in a pre-basic school should be under the care of a qualified doctor. Teachers may be given elementary medical training. During the transitional period, they may look after the health of the children and treat ordinary ailments with simple remedies.
- (c) Cleanliness : Habits of cleanliness,— both personal cleanliness and cleanliness of surrounding—, should be inculcated.
- (d) The formation of good habits of living and of team work.
- (e) Free Play.
- (f) Facilities for self-expression : Through speech, music, dancing, dramas, hand-work, and art etc.
- (g) Elementary social training ;
- (h) Stories, poems and dramas.
- (i) Nature study and care of pet animals.
- (j) Sensory-motor training : Care should, however, be taken not to introduce expensive apparatus for sensory training. As far as possible, this training should be given through objects of nature or simple locally available apparatus.

Note : One of the members desired the deletion of 'dancing' from clause (f) above, as the introduction of this subject contemplated a different social and cultural background, to which he could not subscribe.

Ways and Means of Introducing Pre-Basic Education :

6. The Committee being of opinion that the necessity for pre-basic schools is most acute in industrial areas, and next in urban areas, recommends that

i. The managing bodies of industrial establishments, mines and plantations, should be made to provide adequate facilities for the education of the children of pre-basic age of their employees by running pre-basic schools or giving contributions to local bodies or private agencies for running such schools. Such schools should be under the control of the Education Department.

Note : In regard to clause i. above, Mr. Ambalal Sarabhai was of opinion that the responsibility and obligation for such pre-basic schools should rest on the local bodies, except in the case of isolated industrial areas.

ii. In urban areas not provided for in No. i., pre-basic schools should be run or aided by local bodies.

iii. Encouragement should be given to the spread of pre-basic education in rural areas through local bodies and voluntary effort.

The Provincial Governments should undertake the responsibility of training teachers of pre-basic education, and should run a few model pre-basic schools.

7. **Training of Pre-Basic teachers :** The teachers of pre-basic schools should preferably be women. It is desirable that teachers of pre-basic schools should attain a standard equivalent to the high school leaving certificate and be specially trained. Until such teachers are available in large numbers, intelligent women with understanding of children should be selected even if their academic standard is less and should be given special training to equip them as pre-basic teachers. The minimum salary of a trained pre-basic teacher should be Rs. 20 per mensem in the rural areas, with an additional allowance in urban areas.

Note : The standard referred to above need not necessarily involve a knowledge of English.

Supervision :

8. As pre-basic schools will need a specially trained and sympathetic supervising staff, it is recommended that supervisors of pre-basic education be trained along with the teachers in the training centres of Basic Schools.

Basic Education :

9. Basic Education shall be free, compulsory and universal for every child between the ages of seven and fourteen.

10. **Age Range of Basic Education :** The age range of basic education should be seven to fourteen. In areas where pre-Basic schools do not exist, Basic Schools may be utilised, wherever possible, for pre-Basic education from six to seven, but there should be no compulsion for this. In no case would it be desirable to lower the age limit below fourteen.

Note: Shri Aryanayakam emphasised that it was of the essence of the Basic Scheme that the basic stage should last till the age of fourteen.

11. *Specialisation*: At what stage should the children be allowed to change from basic schools to intermediate schools for specialised studies?

After completing five years of the basic course, children should be allowed option to change from basic schools to intermediate schools. Poverty should not prevent children from entering these intermediate schools. Machinery should be set up by the State to select children from the basic schools at the age of either twelve or fourteen and give them scholarships to enable them to continue their studies in these higher schools.

Note: While the Committee accepted these age limits, it felt that a certain elasticity might be allowed.

12. *Languages*: The mother tongue of the child shall be the medium of instruction in the basic schools. Hindustani should be taught in grades V, VI and VII as a compulsory second language.

Prof. M. N. Saha proposed that the Latin script should be adopted in India in place of other scripts. There was some discussion. Prof. R. K. Mukerjee and Dr. Mehta supported this proposal; but the other members felt that it was not feasible, at any rate under present circumstances.

13. The knowledge of a foreign language is very necessary for scientific, commercial, cultural and political purposes, and in order to maintain contacts with the thought and developments of the modern world. We think, therefore, that the study of a foreign language is very desirable and should be encouraged, wherever feasible, as an optional subject during the later stages of the Basic curriculum. Classical languages may also be optional subjects wherever feasible. Where English is taught, we recommend that Basic English should be used.

14. *Crafts*: From the point of view of educational development, it is essential that a child's education throughout the first five years of the basic course should centre round a basic craft.

Professors M. N. Saha and R. K. Mukerjee were of opinion that, instead of laying down that the basic course should centre round a basic craft, it should be said that "the basic course should include manual work", use of tools and machines, drawing, gardening, agricultural work, clay-modelling, carpentry etc."

Shri A. K. Shaha preferred "some basic crafts" instead of "a basic craft."

15. The syllabus prepared by the Zakir Husain Committee should be generally accepted as the tentative syllabus for basic education.

16. *Education of girls*—Basic education should be common for boys and girls and should be carried on in common institutions. Wherever local opinion so desires, provision should be made for women teachers. We are of opinion that women teachers are generally to be preferred in basic education.

The Committee realise that owing to existing social conditions and habits, it may be difficult to introduce co-education everywhere throughout the basic stage. In giving effect to this recommendation, therefore, public opinion has to be borne in mind, and it may be necessary, to begin with, especially in some urban areas, to provide separate schools for girls in the later stages of basic education, wherever this is feasible.

But the ideal of co-education throughout the basic stage must be kept in view and worked up to.

(One of the members would prefer separate schools for girls after the age of ten. He accepts, however, the above resolution, but wishes to emphasize that the part dealing with public opinion and local sentiment should be leniently interpreted by the educational authority.)

17. *Religious Instruction* : State education should take no responsibility for religious instruction. Religious instruction is the concern of the individual, the home, the family and the religious group concerned.

(Note : Shri Ambalal Sarabhai, Prof. M. N. Saha, Shri A. K. Shaha and Shri K. T. Shah were of opinion that religious instruction should be the concern of the individual alone.)

18. *Examinations* : There shall be no external examinations in basic education. An administrative check should, however, be maintained on the working of the basic schools.

At the end of the fifth year of basic education there should be a selection of students for transfer to the different courses.

School leaving certificates shall be issued by the heads of the basic schools to students on the completion of the seven years of the basic course. Admission to the intermediate institutions should be decided by the tests of the institutions concerned.

It is desirable that uniform all India standards should be maintained, and that these should be recognised throughout the country.

19. *Supervision* : An efficient and sympathetic supervising staff is essential for the successful working of basic education. Provision should be made for the training or re-training of an adequate supervisory staff to guide and supervise the working of the new experiment in basic schools.

20. *Training of Teachers* : The general education of pupil teachers for admission in basic training schools should be up to the high school leaving certificate or its equivalent. They will undergo special training for teaching in basic schools. There should be ample provision for periodic refresher courses for the teaching and supervisory staff.

To prepare the necessary number of teachers of basic education it will be necessary to reorganise the existing normal schools and establish new training schools in large numbers, the ideal being one training centre for each district and some training colleges for training the teachers of the training schools.

The basic training schools should be of two types—one group training the teachers for the first four grades of the basic course—another group of a higher standard for training teachers of the last three grades of the basic course.

21. *The Location and Transport of the Children of Basic Schools* : Basic schools should be mainly of two types—central schools and feeder schools. Central schools or full seven-grade basic schools, should be established wherever there is a village or a group of villages with a population of 2,000 or more, having a minimum of 200 school-going children. Local bodies shall make the necessary arrangements wherever necessary. There shall be a Statutory Board for Basic Education constituted by the Provincial Government to formulate and control policy and supervise these schools.

A feeder school or a basic school of four grades shall be provided wherever there is a minimum of forty school going children within a radius of one mile. Children attending basic schools will not be obliged to walk more than two miles to and back from school.

Finance : The question of financing Basic Education is referred to the Public Finance Sub-Committee.

22. *Adult Education* : The National Planning Committee agrees that the need for adult education is imperative and urgent, and all possible steps should be taken to provide it. The programme outlined in the note submitted by the Sub-Committee is approved in general.

23. *Employment of Teachers* : The note on the Employment of Teachers was read out. The Committee was in general agreement with this note.

Shri Ambalal Sarabhai pointed out, however, in regard to the proposed Charter to Teachers that, though he agreed with its several items, he was averse to such guarantees on a big scale being given by the State in the form of a formal Charter.

24. *Private Schools* : Private schools for imparting Basic Education may be permitted provided they are free schools, conform to the State policy of education,

and are under the control of the State Department of Education. Such schools should aim at carrying out educational experiments, and should avoid exclusiveness and the promotion of a special class consciousness among their students.

25. *Compulsory Labour Service* : The National Planning Committee is of opinion that a system of Compulsory Social or Labour Service should be established, so as to make every young man and woman contribute one year of his or her life, between the ages of 18 and 22, to national disciplined service in such form and place, and under such conditions, as the State may prescribe in that behalf. Such service should be carried on in a disciplined way and in healthful conditions, on works of national utility, including agriculture, industry, public utility service, public works of all kinds and other nation-building activities. Habits of teamwork, mutual and co-operative labour, co-ordinate activity, and physical endurance should be developed. Physical culture should be an essential part of this year's training.

While young men and young women should be treated on terms of perfect equality, specialised service may be provided for women wherever this is considered necessary. No exemption should be allowed from this service, except on certified grounds of physical or mental disability. Under no circumstances should the privilege of buying oneself out of this universal obligation be permitted.

This scheme of Labour or Social Service should be fitted in to the educational system either at the end of the intermediate stage or the University stage.

This scheme should be progressively introduced.

26. *Norms of Physical Fitness* : In order to increase the physical fitness of the community, it is necessary to lay down definite norms of physical fitness for boys and girls at every stage of education. These norms should include weight, height, chest measurement, running a prescribed distance within a prescribed period, jumping a certain height, lifting a certain weight and ability to swim.

27. *National Day* : A day should be fixed as a universal holiday in which all classes and communities, teachers, parents and pupils, should join in common celebration of some event of national significance.

LAND POLICY, &c. SUB-COMMITTEE.

(I|4)

The Interim Report of the Sub-Committee on Land Policy &c. was presented by the Chairman, Shri K. T. Shah, on the 29th June. Dr. Radhakamal Mukerjee, Secretary of the Sub-Committee was also present. Discussion continued on the 30th June.

It was decided that this report need not be considered in detail at this stage as the matter was being referred back to the Sub-Committee for fuller consideration and report. Meanwhile, certain guiding principles on Land Policy should be laid down by the N. P. C. in order to enable the sub-committee to base their report on these principles.

The following resolutions were passed :

1. Agricultural land, mines, quarries, rivers and forests are forms of natural wealth, ownership of which must vest absolutely in the people of India collectively.

2. The co-operative principle should be applied to the exploitation of land by developing collective and co-operative farms in order that agriculture may be conducted more scientifically and efficiently, waste avoided, and production increased, and at the same time the habit of mutual co-operation for the benefit of the community developed in place of the individual profit motive.

Collective or co-operative farms should be developed to begin with on 'culturable waste' land which should be acquired, where necessary, by the State immediately. Each such unit should be linked to other like units.

Note : Mr. Ambalal Sarabhai approved of this being done as an experiment.

Prof. R. K. Mukerjee considers that peasant farming in small heritable holdings should not be ruled out, but continued along with both co-operative farming with individual ownership and collective farming with joint ownership and joint distribution of agricultural produce.

One of the members agrees with Mr. Ambalal Sarabhai in this matter and further adds that while individual enterprise should be subordinated to the needs of the community, it should not be eliminated. In this connection he would like to await the results of the experiment.

3. No intermediaries of the type of taluqdars, zamindars, etc. should be recognised in any of these forms of natural wealth after the transition period is over. The rights and title possessed by these classes should be progressively bought out by granting such compensation as may be considered necessary and desirable.

The practice of sub-infeudation and sub-letting of land should not be permitted.

4. The Sub-Committee is requested to consider and report on the forms of collective and co-operative farms, which may be suitable for India and which they recommend. Such collective and co-operative farming must be under State supervision and regulation.

Note : i. The land co-operatives mentioned above should not be construed in a restricted sense as applying to specific functions, such as, marketing, credit

or collective purchase of seeds, etc., but include cultivation and all aspects of agriculture.

ii. During the initial years of the Plan, it is likely that considerable areas may remain outside the collective and co-operative organisations mentioned above. The Sub-Committee should make recommendations in regard to such areas during this transition period.

LIST OF SUB-COMMITTEES WHOSE REPORTS HAVE BEEN CONSIDERED BY THE PLANNING COMMITTEE :

1. Soil Conservation & Afforestation—Final.
2. Animal Husbandry & Dairying—Final.
3. Horticulture—Final.
4. Power & Fuel—Interim.
5. Mining & Metallurgy—Interim.
6. Engineering Industries Including Transport Industries—Final.
7. Labour—Final.
8. Population—Final.
9. Insurance—Interim.
10. Communication Services—Final.
11. National Housing—Final.
12. River Training & Irrigation—Final Parts I & II.
13. Rural Marketing & Finance—Final.
14. Land Policy, Agricultural Labour & Insurance—Interim.
15. Chemicals—Interim.
16. Manufacturing Industries—Interim.
17. Trade—Interim.
18. Public Finance—Interim.
19. Currency & Banking—Interim.
20. Transport Services—Interim.
21. General Education—Interim.

The Reports of the Sub-Committees Nos. 1-11 were fully considered by the National Planning Committee. Some of these reports, though interim, have covered all their Terms of Reference, and require further elaboration. Some questions of general principles affecting various Sub-Committees have been, however, deferred for further consideration.

The Reports of the sub-committees Nos. 12-21 have been only partially considered. Some of the Sub-Committees have not reported on all the Terms of Reference and are expected to report on the questions which they have still to consider. There are also some instances in which the Planning Committee have referred back certain specific subjects to the sub-committee concerned, for further consideration.

The following sub-committees have either reported, but their Reports have not yet been considered by the Planning Committee, or have not yet reported at all. They are expected to submit their Reports by the 1st of August at the very latest.

1. Crop Planning & Production; (*Vide pp. 80-82, Hand-Book No. 2*).
2. Fisheries; (*Vide pp. 80-82, Hand-Book No. 2*).
3. Rural & Cottage Industries; (*vide pp. 80-82, Hand-Book No. 2*).
4. Industries connected with Scientific Instruments; (*Vide pp. 80-82, Hand-Book No. 2*).
5. Industrial Finance; (*Interim Report submitted*).
6. Public Health; (*Vide p. 83, Hand-Book No. 2*).
7. Technical Education; (*Vide p. 83, Hand-Book No. 2*).
8. Woman's Role in Planning Economy. (*Interim Report Submitted and draft of final Report passed at Sub-Committee meeting in July 1940*).

CHAIRMAN'S STATEMENT TO THE PRESS.

During our fourth sessions of the National Planning Committee, which concluded to-day, we advanced a few steps further in the direction we are aiming at. We considered the reports of many important Sub-Committees and arrived at certain far-reaching decisions. The end of our work is not near yet, but we can now see it approaching. We have considered over 20 reports out of 29. We have now to finish the consideration of the remaining 7 or 8 and then to proceed laying down the principles which should govern the N. P. C.'s Final Report. Many of these principles have already been laid down in the resolutions we have passed, but many important matters still remain to be considered. We have decided to proceed with our work as speedily as possible, and for this purpose, we are going to meet in full committee in the last week of August in Bombay. I hope that during this next sessions, we shall lay down these general principles which should govern our Report. The draft will then be prepared and a further meeting of the Planning Committee will have to be held later in the year to consider this draft report.

As we have proceeded with this great task, its magnitude has become more and more apparent. The Congress President has been good enough to extend the

time allotted to us. We have not wasted this time but hard work has been going on and an enormous amount of useful material has been collected. The public will form some idea of how we are proceeding from the resolutions we have published. But these separate resolutions will give little idea of the full nature of the problem which is not one of advance in one section or another, but of a full co-ordinated activity and advance in all sectors of national life. It is a brave task which we cannot presume to do adequately with the material at our disposal, but, I am convinced that what we are doing will be of enormous use to the statesmen of the future who will have the shaping of a new and free India. Therefore, we are proceeding with this task with all earnestness and perseverance regardless of external events and the mighty happenings that are transforming the world.

Indeed, these very revolutionary changes that are coming all over the world make it incumbent on us to proceed with our task. Some of our members were of opinion that under present conditions, we should postpone our activities, but the great majority were convinced that we should continue and we have continued and shall continue. The great lesson to be learnt from the happenings in the world to-day is that the present order in the world, political, economic and social is all awry, and requires complete reshaping. India will have to face this problem with all its fundamental implications very soon, and if we are not ready for it, we shall miss great chances that circumstance and history will offer to us. Therefore, it is even more important to-day, than it was yesterday, for us to pursue our task and to complete it in such a measure as we can under present circumstances. The task of the National Planning Committee is, in effect, never completed, for it goes on with the life and progress of the nation. But, we shall complete drawing up this initial and inadequate picture of a Planned Society in India, and we have no doubt that whatever changes may be made in it in future, this edifice will serve as a secure foundation to build upon.

I trust that the public, in spite of its preoccupations, and anxieties, will pay heed to what the National Planning Committee is doing. For, the future of the community, that is, all of us who live in India and have the future of India at heart, is intimately involved in the measures that will have to be taken before long in this country in the political, economic, and social domain.

We have had full co-operation of not only the members of the Committee, but of a large number of others, busy experts and public men, who have given time and energy in the Sub-Committees to this task. We have also had co-operation from some of the Provinces and States. To all these I should like to offer my thanks.

July 1, 1940.

THE NATIONAL PLANNING COMMITTEE

Council Hall Building, Apollo Bunder, Bombay.
30th June, 1940.

Our Ref : Cir. 2642.

To

ALL THE MEMBERS OF THE NATIONAL PLANNING COMMITTEE
AND
CHAIRMEN AND SECRETARIES OF ALL SUB-COMMITTEES.

Dear friend,

The fourth sessions of the National Planning Committee concluded to-day. During these sessions the Committee considered further Reports from Sub-Committees and passed resolutions in regard to them. These resolutions will be communicated to you in due course. The Hon. Gen. Secretary, Prof. K. T. Shah, is writing to you about these sessions and sending you information in regard to it, and about our future programme.

I have only little to add to what he may be writing to you. We are now gradually approaching the end of our labours, although a very great deal of hard work has got to be done before we finish. It is already apparent that the work of the Planning Committee is of the most essential importance, and the vast world changes that are going on to-day has increased this importance. Very soon we in this country will have to face many vital problems of re-organisation and national planning. This work that all of us have been doing in the Planning Committee will then bear fruit, and, meanwhile, it will bear fruit in the minds of large numbers of our people. Unless the public mind is brought to bear on these problems, not in their separateness but in their mutual reaction to each other, we shall not be ready to deal with these problems when the time comes.

We have completed the consideration of about 20 reports. A few more remain, and this will be taken up at our next sessions. This next sessions, which will be held in the last week of August of this year, will chiefly devote itself to consideration of general policy which should govern the drafting of the N. P. C. report.

It is essential that every Sub-Committee which has not reported so far must send in its report at the earliest possible moment. Secondly, those that have sent in interim Reports should send their full reports. Thirdly, those who have already prepared their full reports should get these reports finally revised for publication.

All this should be done at the latest by the last week of August, when we meet next. I trust that all members of the N. P. C. and of the Sub-Committees will co-operate in this task during its final stages, so that we may be able to put before the public, in the shape of our many reports, something that is worthy of the great problem with which we have been charged and worthy of India.

Yours sincerely,
JAWAHARLAL NEHRU
Chairman

The National Planning Committee is meeting again about the last week of August, soon after the Janmashtami holidays, to consider the reports that still remain to be received, and which, it is hoped, will be received by that time. It will also consider certain general principles which might form the basis of the Planning Committee's Report. This draft will be considered, and decisions arrived at, at the meeting of the Planning Committee already mentioned above ; and those decisions will form the basis of the draft Report.

This programme, I need hardly add, is only tentative. Events, however, move so fast nowadays, that programmes of this kind cannot be held to the day, even if we all wanted not to deviate from it by a hair-breadth. But in view of the business and public engagements of our colleagues, it has been thought but fair and proper to give as long an intimation in advance as possible of the next meeting. The exact date will, of course, be intimated about a fortnight before the meeting ; but, if, for any reason, it becomes necessary to change the date even after it has been finally fixed, intimation of such change would be given in due time.

I do hope that every member would make it convenient to attend in view of the importance of the matters to be considered, and the decisions to be taken.

Yours sincerely,
K. T. SHAH
Honorary General Secretary.

THE NATIONAL PLANNING COMMITTEE

Council Hall Building,
Apollo Bunder,
Bombay.

30th June, 1940.

Our Ref : 2641.

To

CHAIRMEN AND SECRETARIES OF ALL SUB-COMMITTEES.

Dear Friend,

As you are aware the Planning Committee held its fourth sittings from the 21st to the 30th of June inclusive.

The Committee has expressed a desire that all Reports, when finalised, should be printed and published. I am, therefore, writing this to you to request you to take steps, and put your Report in a form suitable for being handed over to the printer for publication. The value of the material collected by you in the course of your investigations, as also the opinions expressed by your Sub-Committee, may form a valuable record, which, the Committee desires, should be preserved in some permanent form. It has accordingly decided, funds permitting, to print and publish all the Reports. Hence the request made above. I trust you will be able to comply with it at an early date.

Yours sincerely,

K. T. SHAH

Honorary General Secretary.

NAMES OF THE MEMBERS, AND OF THOSE INVITED, PRESENT, AT ANY TIME, DURING THE FIFTH SESSIONS OF THE NATIONAL PLANNING COMMITTEE.

(11 sittings were held in all, morning and evening sittings each day being taken separately. The figures in brackets represent the number of meetings attended by each member.)

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|-----------------------------|-----------------------------|
| 1. Jawaharlal Nehru (11). | By invitation : |
| 2. M. N. Saha (6). | |
| 3. A. D. Shroff (8). | 19. S. S. Sokhey (2). |
| 4. K. T. Shah (11). | 20. J. S. Nerurker (2). |
| 5. Nazir Ahmad (2). | 21. Rafi Ahmad Kidwai (3). |
| 6. V. S. Dubey (8). | 22. M. Y. Nurie (1). |
| 7. Ambalal Sarabhai (11). | 23. Mridula Sarabhai (5). |
| 8. J. C. Ghosh (6). | 24. Hansa Mehta (5). |
| 9. N. M. Joshi (11). | 25. Perviz Dubash (4). |
| 10. Shuaib Qureshi (9). | 26. Kapila Khandwala (4). |
| 11. Gulzarilal Nanda (10). | 27. Jethi Sepahimalani (3). |
| 12. G. M. Sayed (10). | 28. Zarina Currimbhoy (5). |
| 13. Syed Mahmud (5). | 29. V. K. R. V. Rao (2). |
| 14. Nityanand Kanungo (11). | 30. U. N. Mahida (1). |
| 15. P. B. Advani (3). | 31. M. M. Pakvasa (1). |
| 16. C. A. Mehta (6). | |
| 17. A. B. Thadani (9). | |
| 18. K. D. Guha (10). | |

For the full list of Members of the National Planning Committee see page (iii) of the Handbook No. 2.

THE NATIONAL PLANNING COMMITTEE. FIFTH SESSIONS—AUGUST 30th 1940.

NOTE by CHAIRMAN :

The work of the National Planning Committee has unfortunately synchronised with a developing crisis abroad and in India. For the past year the war in Europe has dominated events and men's minds. It has, inevitably, had far-reaching repercussions in India, and it would appear that grave developments are likely in the near future in India and outside. Such developments may come in the way somewhat of the activities of the N. P. C., but there is no reason why we should not endeavour to carry on with our work, to the extent we can, even if

untoward happenings take place. We shall, however, have to adapt ourselves to them.

2. We have done in the N. P. C. and in our numerous sub-committees a great deal of solid work so far. It is true that much still remains to be done, yet it is also true that the final and most important stage is in view now, and we stand on its threshold. This stage consists in bringing together the conclusions of the various sub-committees and drafting our own report. Some sub-committees have not yet completed their labours; the reports of some others have so far only been partially considered by us. Ordinarily, this sub-committee stage should be completed before we enter the next stage. But if we wait for the few remaining sub-committees to finish their work, our other work will be unnecessarily delayed. I suggest, therefore, that we should now begin to think of the drafting of our final report. This will be heavy and difficult work involving the preparation of a preliminary draft, which may be considered by a small drafting committee; the circulation of this draft to the members of the N. P. C.; and then the careful consideration of it by the N. P. C. in full sessions. These various processes are likely to take six months.

3. Meanwhile, of course, the remaining sub-committees will be asked to finish their labours, and all sub-committees will finally revise their reports and prepare them for publication. Before the N. P. C.'s final report is considered, we shall have the advantage of having all this voluminous material before us.

4. The Report of the N. P. C. will naturally be based on the decisions so far taken, or to be taken, by the Committee. We have already got a body of decisions which indicate the direction in which we have to travel and the kind of society which will exist under a planned system.

The picture is still vague and there are many gaps, which the N. P. C. will no doubt fill from time to time.

5. We are seeking to draw up a picture of a new pattern of organised society which will be able to solve the many problems which afflict us, and help in rapidly raising the material and cultural standards of the Indian people. We are thinking in terms of making these rapid changes through peaceful and democratic means. Some people may think that these assumptions are hardly justified in a world in the grip of devastating war, and our own country on the eve of far-reaching conflicts. It is beyond our province to consider these essentially political matters, but we cannot ignore them as they affect vitally every scheme of planning. The future is dark and uncertain and the immediate prospect for the world is one of uttermost destruction. What will emerge out of this mad orgy of hatred and violence, no man can say. It is not outside the bounds of possibility that this war may go on and on, spreading to more and more countries, till it becomes almost

impossible to have a formal and effective peace. The disease may become too deep-rooted and widespread to be controlled ; there may be none left who can control it. The war itself may peter out ultimately leaving a trail of anarchy and horrible destruction and starvation behind it.

6. All this may happen and more, and India and every country in the world will be powerfully affected by it. Even if the war ends more normally, the post-war problems will be over-lapping. We have seen that even so-called democratic States engaged in the war have adopted, under stress of circumstances, a totalitarian economy with strict State control of production, transport and distribution ; in fact of almost all national activities. War has compelled planning, though this planning is for the specific purpose of destruction. When the war ends, this planned economy and State control cannot be given up and there appears to be no possibility to a reversion to pre-war capitalism. Any such attempt at reversion would mean unemployment on a prodigious scale as the demobilised millions go back to civil life and war-time industries stop functioning. No State or government can possibly face this problem in the pre-war way.

7. The coming of war itself, and the inter-bellum period 1918 to 1939, demonstrated that the economic structure was no longer capable of solving the major problems of the day. An ever-growing unemployment became a permanent feature of the national life of even rich and prosperous countries like Britain and the United States of America. There appeared to be no solution for it within the frame-work of the existing economy. The feeling of insecurity grew within large numbers of people. War and war industries have temporarily absorbed most of these unemployed, and yet it is astonishing that in spite of millions being under arms and millions more being employed in war industries, still there is a substantial core of unemployment in Britain. In any event, it is a curious economy which requires a major war to solve the unemployment problem.

8. If pre-war conditions were bad and the economic structure was cracking up, it is patent that the war and after will give a death blow to that structure. It may be that during the war itself revolutionary social and economic changes will take place in Britain and other countries. Certainly just after the war this must inevitably happen. The vast expenditure on the war and on the work of destruction is already lowering standards of life greatly in Great Britain. The burden will become intolerable in all countries and these astronomical war debts can never be paid by any country. It may even happen that the whole system of money economy will undergo a radical change. The British ruling classes have resisted social change longer than almost any country. But the last few years, and the conduct of the war itself, have shown how inefficient and incompetent they have grown. They and the economy of which they are the products no longer fit in with the modern world in peace or in war.

9. If these changes are likely or almost inevitable in a country like Britain, what will happen in India? Obviously the problems of poverty, unemployment, low standards of living are far more serious here. Some people thought that the war may bring a temporary prosperity to Indian industry and to the agricultural producers. This may well have taken place, though this would have been no solution of any major problem. As a matter of fact, the hopes of our industrialists and of the mercantile community have not materialised and there is wide-spread disappointment. Even as compared to the War of 1914-18, developments in India have been slow in these directions. Political considerations apparently come in the way and British vested interests disapprove of the growth of Indian industry. Recently there has been much talk of the establishment of an automobile factory in India, as also of an aeroplane factory. It appeared that both these would materialise soon. But even the stress and difficulty of the war has not essentially altered the outlook of the British Government towards India, and all manner of obstructions are continually being raised to any real progress in this country. At an early stage of the N. P. C.'s work we made it clear that any system of planning must presume full liberty to plan, that is a completely free national State, both politically and economically. Recent events have justified even more this approach of the N. P. C. to planning.

10. As we have proceeded with our work, it has become abundantly clear that any real planning requires co-ordination between all sectors of national life. This in its turn, requires the control of the community in all these various sectors. There has been much discussion as to the extent of this control, but a measure of control is inevitable. We have agreed to State ownership and control in regard to Defence industries, and State ownership or full control of key industries and Public Utilities. Yet in other cases we have envisaged a varying degree of control. In regard to land, while we have not ruled out private enterprise in the shape of peasant proprietorship, we have decided that the objective should be the introduction of the co-operative principle to the largest possible extent and the organisation of land collectives and co-operatives.

11. Thus, whatever the avenue of approach has been, we have been led to a rapid increase in the socialisation of national activities and State control. Our general objective, which emerges from this is one of a socialistic planned structure run by the community for the benefit of the community. Private enterprise has certainly not been ruled out but it has to be strictly controlled and co-ordinated to the general plan. The whole motive of the plan must be a social and co-operative one and not a competitive one based on private profit.

12. These general conclusions, which seem to emerge from our discussions and decisions, are confirmed and justified by a consideration of the world situation, a reference to which has been made earlier in this note. It is evident that there is no other solution of the Indian or the world problem except on this basis. No social

or economic structure which does not provide work and security to the people can endure. In India we have too long thought in terms of the upper groups and ignored the vast numbers of our peasantry. This can no longer be done, and this forgotten creature, the Indian peasant, who has borne so many grievous burdens for centuries, must find relief and security and advancement in our Plan.

13. Our Plan and our final Report must, therefore, be based on this social outlook, and all the decisions we have so far taken, and are going to take on the reports of sub-committees, should be strung together and linked by this objective of socializing our national life in all its many sectors. I suggest therefore that, if the Committee agrees, this general direction might be given for the drafting of the Report. That Report will be necessarily bound by all our specific decisions, but many gaps will have to be filled and this general direction is therefore necessary. It may be desirable to appoint a small committee of three to prepare the preliminary draft, which, when ready, should be circulated to all the members, who should be given ample time to consider it and send their suggestions in writing, if they so desire. Later the N. P. C. can consider this draft carefully.

14. It is possible that circumstances over which I have no control may prevent my active association with the work of the N. P. C. for a while. If such should happen, it should not be interpreted as meaning that the work of the N. P. C. is suspended or postponed. Much of what I have indicated above can continue to be done—the remaining sub-committees should revise their reports and prepare them for publication; our own final Report should be drafted. All this is hard and important work which will take time. All this can be done. If I can join in it, in any way, I shall gladly do so. In any event, I hope to take part in it at the later and final stage when we have to consider and pass our Report.

15. I should like to express my deep gratitude to all my colleagues of the Planning Committee and of our many sub-committees for their unfailing kindness and consideration to me. Prof. K. T. Shah, of course, has been the pivot round which all our work has revolved, and he will continue to shoulder the burden till this great work is done. To the members of our staff, I should also like to express my gratitude.

Sd. Jawaharlal Nehru
Chairman.

August 30, 1940.

LIST OF SUB-COMMITTEES WHOSE REPORTS WERE CONSIDERED
DURING THE FIFTH SESSIONS OF THE NATIONAL
PLANNING COMMITTEE.

Name of the Sub-Committee.	Nature of the Report.	Dates when considered.	Resolutions passed : see pages
1. Public Health.	Interim	30-31 August	152
2. Woman's role in Planned Economy.	Final	31st August 1st 2nd and 4th Septr.	154
3. Land Policy, Agricultural Labour and Insurance.	Supplement- ary note.	3rd Septr.	161
4. Rural and Cottage Industries.	Draft Reso- lutions.	3-4 Septr.	163

N. B.—Notes added or reservations made in regard to any of the Resolutions by any individual member of the National Planning Committee represent his personal opinion, and are not in a representative capacity. This also applies to any expression of opinion in the course of discussions by any individual member.

RESOLUTIONS ADOPTED.

PUBLIC HEALTH SUB-COMMITTEE.

VI|2

The Interim Report of the Sub-Committee on Public Health was presented by the Chairman, Col. S. S. Sokhey, on the 30th August. Dr. J. S. Nerurker, Secretary of the Sub-Committee, was also present. Discussion continued on the 31st August, and the following Resolutions were adopted :—

1. For the purpose of raising the standards of public health in the country, and for the prevention of disease, it is essential that dietary standards should be substantially raised and made adequate and better balanced. In this connection, the N. P. C. notes the specific recommendations of the Sub-Committee, and resolves that they be placed before the National Planning Commission.

(Note : The specific recommendations are that the dietary standards laid

down by the Technical Commission of the Health Committee of the League of Nations, with a permissible reduction of 8%, be accepted for India. These provide a basic diet of 2,400 calories for an average adult with suitable additions proportioned to the nature and strain of the work.)

2. India should adopt a form of health organisation, in which both curative and preventive functions are suitably integrated, and administered through one agency.

3. Such an integrated system of health organisation can be worked only under State control. It is, therefore, recommended that the preservation and maintenance of the health of the people should be the responsibility of the State.

4. For the proper functioning of such an organisation medical and health research in the widest possible field is essential. This research should, therefore, form an important function of a Health organisation; and this should include the application of the scientific method for the investigation of the indigenous and other methods for the maintenance of health, and the prevention and cure of diseases.

5. In view of the paucity of qualified medical men and women in the country, it is necessary to increase rapidly and substantially their number. For this purpose it is necessary to organise a large number of training centres.

6. In addition to the above, and as an immediate step in order to meet the special conditions prevailing in India, we recommend the training of large numbers of Health Workers. These Health Workers should be given elementary training in practical, community, and personal hygiene, first aid, and simple medical treatment, stress being laid on the social aspects and implications of medical and public health work. There should be one Health Worker for every one thousand of the population, and this number should be attained within five years. Selected Health Workers should be given further training at suitable intervals so that they might be better trained for this service.

7. There should be ultimately one qualified medical man or woman for every 1,000 of population, and one bed for every 600 of population. Within the next ten years the objective aimed at should be one medical man or woman for every 3,000 of population, and a bed for every 1,500 of population. This should include adequate provision for maternity cases.

8. The medical and health organisation should be so devised and worked as to emphasize the social implications of this service. With this object in view the organisation should be made a free public service, manned by whole-time workers trained in scientific method. To give effect to this aim, a Chair should

be established in every medical school for special training in the social or service aspect of medicine and public health.

9. Adequate steps be taken to make India self-sufficient as regards the production and supply of drugs, biological products, scientific and surgical apparatus, instruments and equipment, and other medical supplies.

10. A Pharmacopoeia Committee should be appointed to draw up an Indian pharmacopoeia. In order to carry out this object adequately, research should be particularly intensified to determine the action of drugs traditionally used in India.

11. No secret remedies, or remedies whose exact composition is not stated on the labels of the containers in the clearest possible terms, should be allowed to be sold.

Proprietary remedies whose composition is clearly indicated, may, however, be allowed to be sold under proper State supervision.

12. No individual or firm, Indian or foreign, should be allowed to hold patent rights for the preparation of any substances useful in human or veterinary medicine.

The State should encourage and endow research and suitably recognise and reward those who achieve successful results.

(*Note* : Mr. Ambalal Sarabhai is of opinion that such patents should be treated on the same basis as copyright in books or industrial patents.)

13. An attempt should be made to absorb the practitioners of the Ayurveda and Unani systems of medicine into the State health organisation by giving them further scientific training where necessary. Medical training in every field should be based on scientific method.

(*Note* : Mr. Nanda was of opinion that other systems, such as homoeopathy and naturopathy, should also be included in this by the addition of the words "and other systems". It was pointed out, however, that no exclusion was intended in the resolution but stress was laid on the necessity of the scientific method and training.)

SUB-COMMITTEE ON WOMAN'S ROLE IN PLANNED ECONOMY.

VIII

The Final Report of the Sub-Committee on Woman's Role in Planned Economy was presented on the 31st August by Srimati Mridula Sarabhai, Secretary of the Sub-Committee, in the unavoidable absence of the Chairwoman, Rani

Lakshmibai Rajwade. Several members of the Sub-Committee were present during the discussion, which continued on the 1st, 2nd and 4th September.

The following resolutions were adopted :

1. On the basis of the Karachi Congress, 1931, declaration of Fundamental Rights of Citizenship in India, it is resolved :—

- (a) In a planned society, woman's place shall be equal to that of man. Equal status, equal opportunities, and equal responsibilities shall be the guiding principles to regulate the status of woman whatever the basis of society in the Plan ;
- (b) Woman shall not be excluded from any sphere of work merely on the ground of her sex ;
- (c) Marriage shall not be a condition precedent to the enjoyment of full and equal civic status and social and economic rights by woman ;
- (d) The State shall consider the individual as the basic social unit and plan accordingly.

2. Woman shall have the right to vote, to represent, and to hold public office, on the same terms as man. There shall be joint electorates, based on adult franchise, for both men and women, for election to political bodies, including self-governing institutions.

3. An organised health service, with special maternity arrangements for women, shall form an integral part of planned economy. Indigenous Dais shall be gradually replaced by trained midwives as soon as possible.

4. The health programme of the State shall aim at the eradication of serious diseases, more especially such as are communicable or transmissible by marriage. The State should follow a eugenic programme to make the race physically and mentally healthy. This would discourage marriages of unfit persons, and provide for the sterilization of persons suffering from transmissible diseases of a serious nature, such as insanity or epilepsy.

5. A Planned scheme of national economy should provide for a scheme of social insurance, made available in cash and kind, for all citizens. This should include benefits in the case of disability, sickness, accident, pregnancy and child-birth in the case of women, and assistance for the care and nursing of the new-born child. This scheme should be given effect to progressively.

6. During the transition period due provision should be made in the leave rules applying to women workers to get leave on the ground of the sickness of the child. The burden of this may be borne by the community.

7. Creches and nursery centres should be provided for as laid down in resolu-

tions 12 and 14 passed on the Labour Sub-Committee's Report. Meanwhile the present system of requiring the employer to provide for maternity benefits and creches should be continued and extended to include plantations and mines. In view of the fact that this provision had led to the exclusion of women workers from such employment, the cost should in future be assessed on the total number of employees, irrespective of sex. All benefits shall be disbursed by the State or local authorities.

This rule should also apply to local self-governing institutions as well as other large employers.

8. Those Provinces and States which have no Maternity Benefit Acts should adopt a scheme of social insurance in preference to a Maternity Benefit Act. In the event of a Maternity Benefit Act being introduced, this should be on the lines indicated in resolution 7 above.

9. All women should be assured adequate leisure, irrespective of work in or outside the home. This leisure will follow from :

- (a) The organisation of Pre-Basic education institutions, such as nursery schools, kindergarten centres as well as creches, and
- (b) The improvement of social amenities and co-operative and community undertakings.

It is also necessary that there should be some kind of regularity in home life. There should be a cessation of all work during the day at a fixed hour, so that the midday meal can be conveniently taken and the housewife released from the duties of the kitchen.

10. An identical standard of morality, which harmonises social welfare with individual freedom, should be accepted for both man and woman, and should guide legislation and social convention.

11. Persons born in any part of India of parents who are Indian Nationals shall, in regard to nationality, be considered Indian citizens. Persons born of alien parent or alien parents shall have the right to choose their nationality within six months of their reaching the age of majority. Married women shall have the same right in the event of their marrying non-nationals of India.

12. Every child born in the community has a claim on it in regard to education, occupation, earning and property, as well as civic and social rights. There should be no restrictions made either by law or custom between children born in or out of wedlock. Children of alien parents shall also be entitled to education, health and freedom from abuse.

(Note: Mr. A. D. Shroff does not agree that there should be no difference made either by law or custom between children born in or out of wedlock.

Mr. Shuaib Qureshi desired to record his dissent as follows :

"Such claim should be confined to :

- (i) the parents of the child ;
- (ii) in case of a child born out of lawful wedlock, to maintenance, parental care, and education, but would not affect the law of inheritance. ")

13. A Charter of Children's Rights shall be framed on the lines of the U.S.A. (legislation) and its provisions shall include :

- (a) Reservations against any commitments made by guardian or parent on behalf of a minor child in respect of marriage, dedication to religion, slavery, or beggary. These commitments shall be deemed to be voidable in law at the option of the individual concerned on reaching the age of majority. In the event of any such commitment being given effect to, the special officer appointed for this purpose should be entitled and empowered to act on behalf of the child to avoid the commitment.
- (b) The employment of children for wages under the age of 15 should be prohibited. During the transitional period, the minimum age for such employment should be progressively raised to 15, particularly in industries and in occupations where hours and conditions of work are harmful to the children. Exceptions may be made for agricultural work. Night work between 6 p. m. and 6 a. m. shall be prohibited to boys and girls under 18.

When the national system of education, including Basic Education compulsorily up to 14, comes fully into operation, the minimum age for such employment will be automatically raised ; and correlation shall be provided between work and training, even after the age of 14.

A special organisation should be established to look after and protect the rights of children, particularly orphan children.

14. The principle of equal wage for equal work shall be granted practical recognition in such a manner that it does not create unemployment or bar employment to women.

15. Women shall not, as a matter of policy, be excluded from any industry or occupation. In the event of any legislation or development causing the exclusion of women from any occupation, and thus leading to their unemployment, steps should be taken by the State to provide for their being absorbed in other occupations.

16. For purposes of recruitment and co-ordination of labour supply in different occupations, a system of labour exchanges should be established.

17. Trade Unions should consist of both men and women workers. There should be no separate trade union for women. Statistics of trade union membership should include information about women and young persons on their registers.

18. Woman's work in the home, as well as her work on the family land, though not easy to recognise in terms of money value, is an essential contribution to the social wealth of the State (community); and shall be fully recognised as such. The aggregate of social wealth under Planned Economy will include all kinds of work, whether recognised in money value or not.

19. A uniform Civil Code shall be enacted applicable to all citizens of India. This should be based on the fundamental principle of equality as between man and man and man and woman. During the transition period, it should apply to those who choose to accept it. Those who are unable to subscribe to this Code, may continue to be governed by their personal law. Where, however, anything in this personal law affects the woman's position adversely, immediate attempts should be made to remedy this.

(*Note* : Considerable discussion took place on this resolution. Mr. Shuaib Qureshi expressed his disagreement with it. Mr. G. M. Sayed was of opinion that the Civil Code should be made compulsorily applicable to all, and that there should be no option about it. Some other members were in sympathy with this view, but they felt that, under the existing circumstances, it was preferable to make the application of the Code optional. The representatives of the Sub-Committee stated that their members, including Begum Hamid Ali and Begum Shah Nawaz, were in favour of an optional Civil Code. Mrs. Zarina Currimbhoy and Mrs. Ismail also expressed their agreement with this view.)

20. Reformers in many communities have brought about changes in the Personal Law from within these communities. These efforts are to be welcomed, and wherever they are in line with the general policy of the State, they should be encouraged by the State.

21. An All-India Civil Marriage Act shall be enacted enabling any two persons above the age of majority, to whatever religion they may belong, to be married without any declaration in regard to religion.

22. Pending the completion of the Plan, it is clear that the existing law will continue to function in regard to marriage, side by side with the civil marriage

provided for above. Immediate steps must, however, be taken for the following purposes :

- (i) In regard to the age of marriage, the legal limits should be progressively raised to the Age of Majority ;
- (ii) Consent of the marrying parties shall be made essential.
- (iii) Marriage shall be made monogamous, and the right to divorce introduced.
- (iv) All intended marriages shall be notified, and marriages shall be recorded by a public authority. The State should afford facilities for this, so that this intimation and record may be made easily through the village panchayat or other self-governing body.

(Note : There was considerable discussion on clause (iii) above relating to monogamy. Mr. Shuaib Qureshi was in favour of encouraging monogamy in every way and of the State discouraging polygamy, but he was opposed to a legal bar against polygamy. He agreed that on a second marriage by the husband, the first wife should have a right of divorce.

Mr. G. M. Sayed was in favour of immediate and compulsory monogamy.

Mr. Joshi was of opinion that if the age limit of marriage was raised to majority, and divorce was made easy and at the will of either party, this provision about monogamy was not necessary. Dr. Dubey and Mr. Shroff agreed with Mr. Joshi. The clause was, however, approved by the majority of the members).

23. Divorce shall be available at the option of either party, subject to such conditions as may be laid down by the law in that behalf. These conditions may relate to sufficient notice, period for the divorce to be effective, and maintenance and custody of children. These conditions should be equal as between man and woman.

(Note : In this connection the question of *mehr** in Muslim Law must be considered, without prejudice to the principle laid down above).

(Note : Messrs. Shuaib Qureshi, Syed Mahmud and Nazir Ahmad add the following note to this resolution on divorce : This shall not affect the Muslim personal law, according to which the two parties to a marriage contract could, as the law stands even now, have, as part of the contract, equal right of divorce. As to the right of maintenance of children, that too is fully safeguarded under the Islamic Law.)

24. Divorce when effective shall be evidenced by an appropriate certificate from some public authority.

25. Disabilities attached to the condition of widowhood should be ended.

26. The State should follow a policy to assure to woman the same rights as man to hold, acquire, inherit, and dispose of property of all kinds, and to shoulder corresponding obligations, without any differentiation at any stage or in any manner on grounds of sex alone, and changes in the existing laws, when necessary, should be progressively made. This is especially necessary in regard to the Hindu Law.

Note : Messrs. Shuaib Qureshi, Syed Mahmud, Nazir Ahmad and G. M. Sayed wish to add that this should be without prejudice to Muslim personal law.

27. The right to insist upon restitution of conjugal rights in Hindu and Muslim law should be abolished.

28. Co-education shall be the basis or ideal of the national system of education, which should be founded on common courses of study for boys and girls. During the transitional period, common high schools for the adolescent should be encouraged for both sexes. Provision may, however, be made for separate high schools for girls, where local sentiment demands them, and this is considered feasible.

The staff in all-co-educational institutions should be mixed, and in other institutions such mixed staff should be encouraged.

(*Note :* Prof. M. N. Saha and Mr. Shuaib Qureshi were against co-education between the ages of 12 and 18).

29. The State shall provide training centres for women social workers who, due to economic circumstances and lack of high academic education, cannot avail themselves of the existing facilities.

30. Legalised abortion should be permitted only in recognised institutions under properly qualified persons ;

(a) when pregnancy is a result of rape ;

(b) when pregnancy is considered dangerous to the health of the mother.

31. The administrative machinery of the State shall include a Ministry of Social Affairs to co-ordinate all problems connected with social welfare, and to arrange for investigation and research into problems of this nature.

SUB-COMMITTEE ON LAND POLICY, AGRICULTURAL LABOUR AND INSURANCE.

1/4

Shri K. T. Shah, Chairman of the Sub-Committee on Land Policy &c., presented a further note on the 3rd September, in addition to the Interim Report submitted during the Fourth Sessions of the National Planning Committee. After full discussion, and certain amendments, this note was approved of. The amended note then read as follows :

In pursuance of the general policy already laid down by the National Planning Committee (vide Handbook No. 3, page 33) in regard to the ownership and working of land, the following amplification is recommended :

Cultivation of land should be organised in complete collectives, wherever feasible, e. g. on culturable waste-lands, and other lands acquired by the State. Other forms of co-operative farming should be encouraged elsewhere. This co-operative farming should include cultivation of land and all other branches of agricultural work. In such co-operatives, private ownership of land will continue ; but working of such land shall be in common; and the distribution of the produce will be regulated in accordance with the duly weighed contribution made by each member in respect of land, labour, and tools, implements, and cattle required for cultivation.

During the transition, the co-operative organisation of farming may also take the form of restricted co-operation for specific functions, e. g. credit, marketing, purchase of seeds, etc.

It may also be on land acquired on lease by the co-operators from a private landowner, whose only interest thereafter would be confined to receiving the stipulated leasehold fee. The activities of such a co-operative organisation may be unrestricted in respect of all operations connected with agriculture. The only difference between this form and the preceding will be : that whereas in the preceding form the land will be brought into the common pool which belongs to the members of the co-operative themselves, in the other form the land would be leased from a private owner.

The State should also maintain special farms under its direct control and management for experimental, educational, or demonstration purposes.

The collective farm—as distinguished from the co-operative or the State farm mentioned above—may be operated in such a manner that, after paying from the produce all expenses of cultivation, including the wages of workers, the surplus, if any, after paying the State dues, will be available for the benefit of the collective colony and the common services or amenities required by it, so as to raise their

standard of living, as well as to make provision by way of reserve against future contingencies.

It has been decided that no intermediaries between the State and the cultivators should be recognised ; and that all their rights and title should be acquired by the State paying such compensation as may be considered necessary and desirable. Where such lands are acquired, it would be feasible to have collective and co-operative organisations as indicated above.

While these steps are being taken in the direction of collectivisation, there will continue to be large parts of the country under the regime of peasant proprietors or individual cultivators. Individual enterprise will thus continue; but it must be subordinated to the needs of the community. Wherever possible, the co-operative principle should be introduced even in this sector of the national economy to whatever extent feasible. This will also enable the State to judge from experience and comparison how far this organisation is beneficial in particular areas and can be harmonised with the Plan. It is difficult to make more specific recommendations in regard to this sector applicable to all India, as conditions vary considerably in the different parts of the country. Far-reaching changes have been made in recent years in regard to land revenue, agricultural debts, and organisation of farming ; and many proposals dealing with these and cognate matters have also been put forward, and are before the public. There is still room for considerable improvement in this regard ; but specific recommendations will necessarily relate to each province separately. It should be borne in mind, however, that whatever changes are proposed or made, should be in keeping with the general policy and objectives in regard to land laid down above.

While the present land revenue system lasts, the basis of taxation must be changed so that the higher incomes from land should be taxed progressively on the model of the Income Tax. Wherever possible and advisable relief in land revenue burdens should be afforded to actual petty cultivators on whom that burden falls disproportionately heavily to-day.

(Note : Mr. G. M. Sayed was of opinion that compulsory collectives should be the only ideal laid down.

Mr. Ambalal Sarabhai was in favour of the deletion of the last three lines of paragraph 2 and to state instead that " the distribution of the produce should be on an equitable basis ".

Mr. Ambalal Sarabhai wished to add that he approved that the proposals contained in the Note should be given effect to as experiments. He fully accepted the last paragraph of the Note regarding the basis of taxation.)

RURAL & COTTAGE INDUSTRIES SUB-COMMITTEE.

II|1

Dr. C. A. Mehta, Secretary of the Sub-Committee, presented a note on the Policy regarding Rural and Cottage Industries, on the 3rd September. Sri S. C. Das Gupta, Chairman of the Sub-Committee, was unable to be present. Discussion continued on the 4th.

There was a prolonged discussion on the relative virtues and failings of large-scale and cottage industries. It was stated, however, that cottage industries were not intended to come in conflict with the industrialisation of the country, but to absorb the large numbers of the unemployed and partially employed in rural areas.

The following resolutions were adopted :

1. A National Plan for India would necessarily aim at securing the welfare of the community as a whole ; but in view of the fact that the masses in the villages constitute nearly 90% of the population and form the backbone of the nation, their well-being should be the main concern of the State and primary objective of the national plan.

2. A vast mass of the people, especially those resident in the rural areas are unable to procure a sufficiency of food, clothing, housing, and other bare requirements of a healthy, efficient, and decent living ; and a large proportion of them are in a state of constant want, semi-starvation, enforced idleness and economic insecurity.

3. The decay of rural and cottage industries was brought about by the deliberate suppression of indigenous industries by the East India Co. for the benefit of British industry, and has been accelerated by the competition of the machine-made products of foreign and Indian power-driven industries ; and by the failure of the State to recognise cottage industries as an integral part of the national economy. No occupations having been provided as a substitute, this has resulted, for the bulk of the rural population, in chronic under-employment, and a very low standard of life.

4. While other means of improving the economic conditions of the rural masses, such as :

- (i) Improvement of agriculture, extension of irrigation and other means of intensive cultivation, vegetable and fruit growing, etc.
- (ii) Provision of public utilities and social services in rural areas, such as medical and educational facilities, transport services, water supply etc., and,
- (iii) State programmes of providing roads, irrigation facilities, and other forms of capital equipment,

will, if vigorously pursued, lead to a considerable amelioration in rural conditions, these measures will, in the nature of things, take time to materialise. The revival and expansion of old and the introduction of new cottage and rural industries will be an important and indispensable means of rehabilitating the villages and providing adequate and suitable employment to the people in the villages and ensuring to them a satisfactory level of income and resources.

5. The importance of cottage and rural industries for improving the economic life of the large masses of the rural population arises from various advantages which cottage industries possess, such as :

- (i) employment in the natural setting of the worker's own place of habitation, combined with numerous physical, moral, material and other benefits that go with such employment ;
- (ii) finding means of livelihood for the largest number of persons ;
- (iii) offering opportunities for profitable employment and development of inherent talent and aptitude in occupations which should be congenial to them ;
- (iv) the opportunities of following more than one vocation for means of livelihood, particularly subsidiary occupations for the cultivating classes ;
- (v) the comparatively lower cost of living for a similar standard in rural areas than in urban areas ;
- (vi) the increased employment in rural areas leading to spreading over of purchasing power which is confined to urban area at present.

6. A permanent Cottage Industries Board should be established. It will be a function of this Board to arrange for the training of artisans and skilled workers, who would take charge of groups of unskilled workers in the villages and train up the latter to the requisite level of skill and discipline as speedily as possible.

The Board should also undertake scientific and technical research in manufacturing processes which may be suitable for cottage and rural industries, with a view to widening the list of cottage and rural industries which can be undertaken by the people with advantage.

7. In determining the respective scope of cottage and rural industries on the one hand, and large-scale mechanised industries on the other, there shall be an examination by the Planning Authority of the relative economic and social value of the two methods of production, taking into consideration, among other aspects:

- (i) the possibilities for extending employment and absorbing the unemployed ;

- (ii) the possibility of substantially raising the standard of life of the masses ;
- (iii) equitable distribution of the existing national income and wealth so as to assure a proper standard of consumption ;
- (iv) economic and social security ;
- (v) reactions on the health, freedom, initiative, character and culture of the people.

8. While all possible measures should be taken to strengthen the economic basis of the cottage and rural industries, by arranging for the requisite finance, providing facilities for securing and storing raw materials, readjusting freights, improving marketing, technique of production, implements, organisation, etc., such other protection should be given as the Planning Authority may consider necessary and desirable in order to neutralise such disadvantage as may remain.

Till a living wage can be assured to all the workers, the wage which is paid to rural workers shall not be less than four annas, on the basis of the cost of living index in August 1930.

(Note : Mr. A. D. Shroff disagreed with this resolution.)

Mr. Joshi wanted to draw the Sub-Committee's attention to the conditions of work of rural and cottage industry workers. This matter should be considered in their fuller report.

9. Such cottage and rural industries as are specifically selected by the State for support should be controlled and regulated by the State.

(Note : The sub-committee be asked to report on the nature and extent of the control necessary for this purpose).

10. The cottage and rural industries, selected specifically for support by the State, should be organised so as to fit into the agrarian economy recommended in the resolutions of the N. P. C. passed in regard to Land Policy. (Vide pages 32-33 of Handbook No. 3.)

11. Large-scale mechanised industries which compete with those cottage and rural industries, which are specifically selected by the State for support, must be owned or controlled by the State, so that there may be proper co-ordination between the two.

12. In view of the fact that the general effect of the administration of the State in the past has been in favour of the urban areas and to the great disadvantage of the rural areas, the State should take particular care to redress this balance, and to avoid any measures in the future which injure, or are in conflict with, the interests of the rural population, so that a balanced structure may be built up under Planned Economy.

13. It is desirable that the State should also encourage and foster such cottage and rural industries as can, with State assistance, in the form of provision of finance, improved processes and equipment, research, marketing and other facilities, be in a position to produce goods and services at a cost and return comparable

to those of other competing methods of production. The words 'cost' and 'return' used in this context have to be interpreted in a broad sense, so as to include long time as well as short time costs and returns, and the indirect costs and returns to society in addition to the costs and returns reckoned in money. The Planning Authority will consider all these aspects and shall be the final judge.

14. All measures of a regulative nature, other than or in addition to the grant of a subsidy, which are required for the due achievement of the purpose mentioned above, should be such as not to place the mechanised industries of any Province or State at a disadvantage *vis-a-vis* their competitors in other Indian Provinces.

15. All measures pertaining to the regulation of the relation between cottage and mechanised industries should be planned and co-ordinated on an all-India basis, so as to avoid inter-Provincial conflict and rivalry. In doing so the Planning authority shall, however, take care that infant industries in economically undeveloped areas are not thereby put at a disadvantage in their development.

The resolution of the Sub-Committee in regard to the obligation of the State to provide alternative employment for those who lose it as a result of technical progress etc. was considered to cover too big a subject to be considered in this connection. In Planned Economy there should be no unemployment. During transition stages various measures will undoubtedly be necessary to provide alternative employment. The Committee appointed to draft a resolution on Rationalisation might consider this aspect of the problem.

The N. P. C. then reverted to a consideration of resolution No. 7 as recommended by the Rural and Cottage Industries Sub-Committee. There had previously been a great deal of discussion over this and it had been passed over. Many members pointed out that they would like to have full data in order to consider this recommendation. It was ultimately resolved that this resolution be sent back to the Sub-Committee, so that they might amplify it and give full figures and particulars. It should be considered in relation to the norms of progress laid down by the N. P. C. The resolution sent back for further report was as follows :

"Considering the appalling poverty and helplessness of the people in the villages, on the one hand, and the vast amount of unoccupied time available for useful employment, on the other, industries concerned with the satisfaction of the primary needs of the rural population, e.g. manufacture of clothing, processing of food articles for the pursuit of which the people are equipped by long tradition, which engage large numbers at present, and which are capable of affording employment to much larger numbers, should be organised and developed by the State, as cottage or rural industries.

"The national plan should provide for the adoption of all measures necessary for relieving these cottage and rural industries from the stress of competition, and for facilitating the expansion of such industries to the desired size, while providing a living wage to the workers engaged in these industries".

